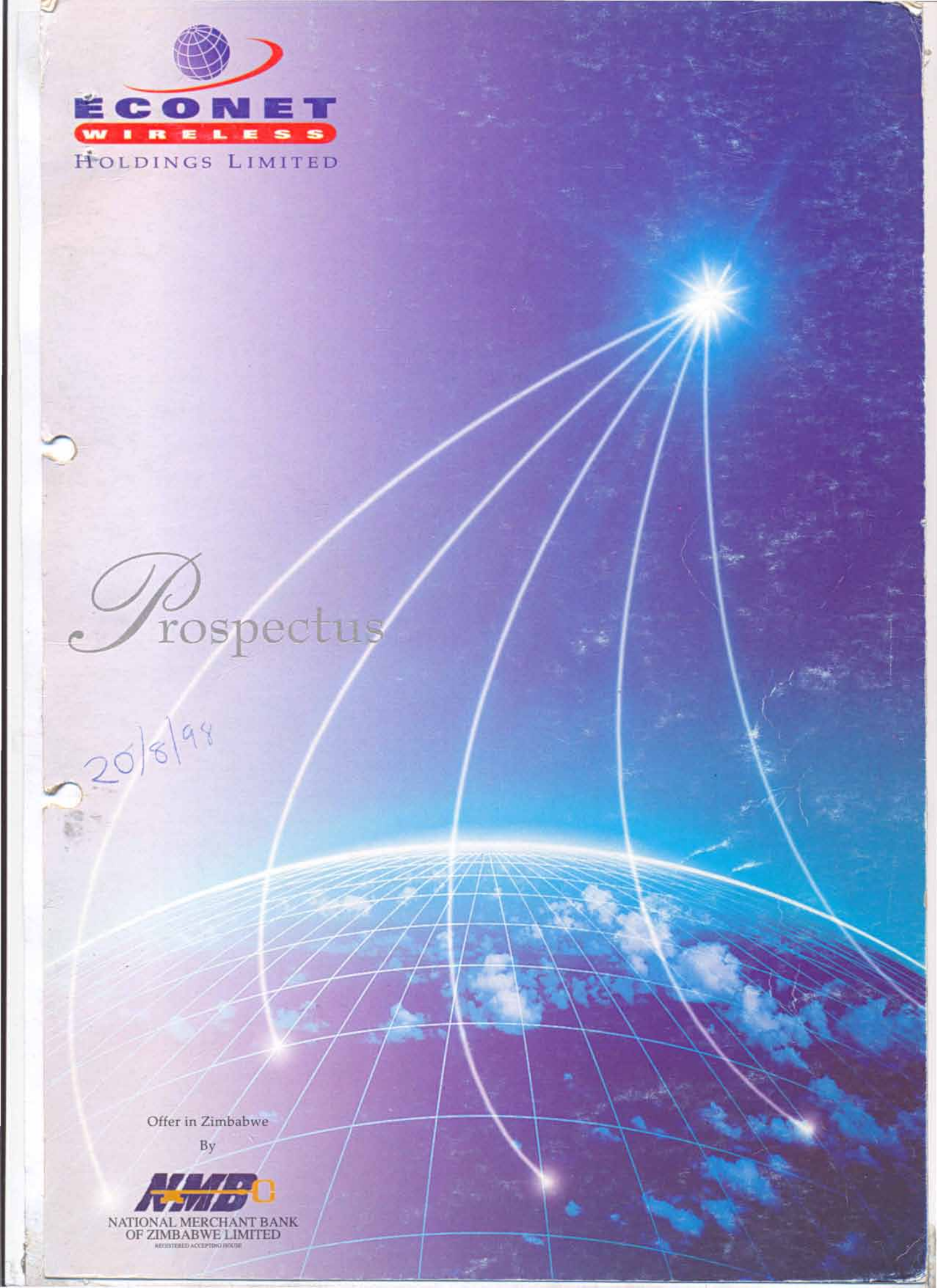

ECONET
WIRELESS
HOLDINGS LIMITED
Prospectus
20/8/98
Offer in Zimbabwe
By
NMBO
NATIONAL MERCHANT BANK
OF ZIMBABWE LIMITED
REGISTERED ACCEPTING HOUSE

HOLDINGS LIMITED

Prospectus

A copy of this document which comprises a prospectus in Zimbabwe was issued and registered with the Registrar of Companies in Harare under the Zimbabwe Companies Act (Chapter 24:03) on 14 August 1998 together with the documents referred to in paragraph D of Part V of this prospectus.

Applications have been made to the Committee of the Zimbabwe Stock Exchange for the entire share capital and Debentures of the Company, issued and now being issued, to be listed on the Zimbabwe Stock Exchange. It is expected that such listing will become effective and that dealings in the Ordinary Shares and Debentures will commence on 17 September 1998.

Your attention is drawn to the Investments Considerations set out in Part III.

ECONET WIRELESS HOLDINGS LIMITED

(Incorporated and registered with limited liability in Zimbabwe under Registration No. 7548 /98)

Placing outside Zimbabwe

By

National Merchant Bank of Zimbabwe Limited
(Registered Accepting House)

and

Standard Equities (Proprietary) Limited

Share and Debt Offer in Zimbabwe

Issuing House, Underwriters and Debenture Trustees

National Merchant Bank of Zimbabwe Limited
(Registered Accepting House)

Placing Distribution Agents

Standard Equities (Proprietary) Limited

Sponsoring Brokers and Local Market Makers to the Equity and Debt Offers

Continental Securities Trading (Private) Limited

Fleming Martin Edwards Securities (Private) Limited

Intermarket Stockbrokers (Private) Limited

Kingdom Stockbrokers (Private) Limited

Share Capital following the Issue

Authorised			Issued and fully paid	
Number	Amount		Number	Amount
900,000,000	Z$90,000,000	Ordinary Shares of Z$0,10 each	725,000,000	Z$72,500,000

The Issue Shares will following the Issue rank *pari passu* with all other Ordinary Shares, including the right to receive all dividends or other distributions thereafter declared, made or paid on the issued ordinary share capital of the Company.

This document does not constitute an offer to sell, or the solicitation of an offer to buy, Ordinary Shares and Debentures in any country in which such offer or solicitation is unlawful. The distribution of this document in or into such countries may constitute a violation of the laws of such countries.

No person has been authorised to give any information or make any representations in connection with the Placing, the Offer or Econet Wireless Holdings Limited other than as contained in this document and, if given or made, such information or representation must not be relied upon as having been authorised by the Company, the Directors, National Merchant Bank of Zimbabwe Limited, Standard Equities (Proprietary) Limited, Continental Securities Trading (Private) Limited, Fleming Martin Edwards Securities (Private) Limited, Intermarket Stockbrokers (Private) Limited, Kingdom Stockbrokers (Private) Limited or any of them.

Standard Bank London Limited is acting as financial advisor to the Company in connection with the Placing described in this document and will not be responsible to any other person for providing the protection offered to its customers or for advising any other person in connection with the Placing.

Vision

To provide
telecommunications
to all the peoples of Zimbabwe.

Mission Statement

To serve Zimbabwe by
pioneering, developing and sustaining,
reliable, efficient and high quality
telecommunications of uncompromising
world class standards and ethics.

Values

pioneering
professional
personal

PIONEERING

We are a company committed to finding the best way forward, in a fast moving and highly competitive technological field. To remain at the top we shall relentlessly pursue innovative solutions, and constantly grow our knowledge base with uncompromising passion for excellence.

PROFESSIONAL

In everything we do, both within ECONET WIRELESS and in the community, we always work in a customer and objective oriented manner with clearly defined goals in terms of quality of service. In all our professional areas, and at all levels, we will carry out our duties skillfully and diligently.

PERSONAL

Internally we will always remember that we are a company made up of individuals. These people are the company. Each one is an intrinsically valuable member of the organization, irrespective of their gender, race or position. We will always show concern for each other in an atmosphere that is open and stimulates personal development and job satisfaction and a sense of responsibility. We believe in working in teams, in effective and confident cooperation, in environments where honest praise, constructive criticism and fair reward have their place.

Who we are inside the company shall reflect who we are externally. Our relationship with our customers will enthuse with warmth and a genuine desire to meet their needs. We will reach out to customers in a holistic and organic way that makes them true stakeholders in Econet Wireless.

TABLE OF CONTENTS

Definitions 8

Directors and Advisors 9

Issue Statistics 10

Placing Expected Timetable 10

Offer Expected Timetable 10

Attributable Earnings 11

Part I

Key Information
- Introduction 12
- Competitive Advantages 12
- Summary Financial Forecasts 12
- Purpose of the Issue 13

Part II

Information on Econet Wireless (Private) Limited
- The Business 14
- Organisation Structure 15
- Sector Background 15
- Outlook and Profit Forecasts 15
- Regulatory Background 16
- The Licence 16
- Directors, Senior Management and Staffing 17
- Proforma Consolidated Balance Sheet 21
- Corporate Governance 22
- Share Register and Listing 23
- Dividends and Dividend Policy 23
- The Issue 23
- Terms and Conditions of the Offer 23

Part III

Investment Considerations 24

Part IV

Zimbabwe Exchange Control 25

Part V

Statutory and General Information
- A. Fourth Schedule of the Act 26
- B. ZSE Listing Requirements 29

Annexure I

Independent Accountants' Report 32

Annexure II

Independent Accountants' Report on Financial Statement Forecasts 36

Annexure III

Issuing House's Report on Financial Statement Forecasts 37

Annexure IV

Terms and Conditions of the Offer 38

Annexure V

Terms and Conditions of the Debenture Offer 39

Annexure VI

Application form for Offer Shares 40

Annexure VII

Application form for Offer Debentures 44

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise.

"Act"	the Companies Act [Chapter 24:03] of Zimbabwe
"Application Form"	the application form for use in connection with the Offer.
"Board"	the board of Directors of the Company
"CST"	Continental Securities Trading (Private) Limited
"CEO"	Chief Executive Officer
"Debenture Price"	Z$10,000 per debenture to be applied for pursuant to the Offer Debentures
"Directors"	the directors of the Company
"Econet Holdings or the "Company"	Econet Wireless Holdings Limited
"Econet"	Econet Wireless (Private) Limited
"Ericsson"	Ericsson South Africa Proprietary Limited
"Executive Directors"	Strive Masiyiwa, Jeffrey Mzwimbi and Marion Moore
"Fleming Martin"	Fleming Martin Edwards Securities (Private) Limited
"Founders"	the founding members of the business of Econet being Strive Masiyiwa and Tsitsi Masiyiwa
"GDP"	Gross Domestic Product
"GOZ"	the Government of Zimbabwe
"GSM"	Global System for Mobile Communications
"IMF"	International Monetary Fund
"Intermarket Stockbrokers"	Intermarket Stockbrokers (Private) Limited
"Issue"	the Placing and the Offer
"Issue Price"	Z$1 per Ordinary Share
"Issue Shares"	the Offer Shares and the Placing Shares
"ITU"	the International Telecommunications Union
"Kingdom Stockbrokers"	Kingdom Stockbrokers (Private) Limited
"Listing"	the listing of the Ordinary Shares and Debentures on the ZSE becoming effective in accordance with the Listing Rules of the ZSE
"NMB"	National Merchant Bank of Zimbabwe Limited
"Offer"	the offer by NMB in Zimbabwe of 145,000,000 Offer Shares and 25,000 Offer Debentures, as described in this document.
"Offer Debentures"	the 25,000 five-year redeemable debentures to be issued at par
"Offer Price"	Z$1 per Ordinary Share to be applied for pursuant to the Offer
"Offer Shares"	the 145,000,000 Ordinary Shares to be issued pursuant to the Offer
"Ordinary Shares"	ordinary shares of Z$0.10 each in the capital of the Company following the issue
"Placees"	the subscribers for Ordinary Shares pursuant to the Placing
"Placing"	the placing by NMB and Standard Equities outside Zimbabwe of 145,000,000 Ordinary Shares as described in this document.
"Placing Price"	Z$1 per Ordinary Share to be placed pursuant to the Placing
"Placing Shares"	the 145,000,000 Ordinary Shares to be issued pursuant to the Placing.
"PSBR"	Public Sector Borrowing Requirement
"RBZ"	the Reserve Bank of Zimbabwe
"SADC"	Southern African Development Community
"Share Scheme"	the Econet Holdings Executive Share Option Scheme
"Standard Equities"	Standard Equities (Proprietary) Limited
"TSM"	T S Masiyiwa Holdings (Private) Limited
"UK"	United Kingdom
"Zimbabwe"	the Republic of Zimbabwe
"ZIMPREST"	Zimbabwe Programme for Reconstruction, Economic and Social Transformation
"ZPTC"	the Zimbabwe Posts and Telecommunications Corporation
"ZSE"	the Zimbabwe Stock Exchange

In this document, all references to "Zimbabwe Dollar", Z$ and "cents" are to the currency of Zimbabwe. The Offer Shares and Offer Debentures are not linked. Applicants can apply for the Ordinary Shares and/or Debentures.

DIRECTORS AND ADVISORS

Directors

Professor Norman Nyazema, Non-Executive Chairman
Strive Masiyiwa, Chief Executive
Jeffrey Mzwimbi, Executive Director
Marion Moore, Executive Director
Nigel Chanakira, Non-Executive Director
Michael Humphrey, Non-Executive Director
Tawanda Nyambirai, Non-Executive Director
Shadreck Nkala, Non-Executive Director
Zachary Wazara, Non-Executive Director
all of:

14th Floor, Fidelity Life Tower
Corner Raleigh/Luck Street
Kopje, Harare
Zimbabwe

Company Secretary

Nicholas Rudnick

Joint Financial Advisers

National Merchant Bank of Zimbabwe Limited
1st Floor, Unity Court
Union Avenue/First Street
Harare

Standard Bank London Limited
Project Finance Division
Canon Bridge House
25 Dowgate Hill
London EC4R 2SB

Sponsoring Brokers to the Offer

Continental Securities Trading (Private) Limited
6th Floor, Fanum House
57 Samora Machel Avenue
Harare

Fleming Martin Edwards Securities (Private) Limited
Ground Floor, Club Chambers
Nelson Mandela Avenue
Harare

Intermarket Stockbrokers (Private) Limited
5th Floor, UDC Centre
Cnr 1st Street/Union Avenue
Harare

Kingdom Stockbrokers (Private) Limited
2nd Floor, Karigamombe Centre
Samora Machel Avenue
Harare

Distribution Agents to the Placement

Standard Equities (Proprietary) Ltd
4th Floor, 3 Simmons Street
Johannesburg 20001
Republic of South Africa

Standard Equities (Proprietary) Limited
Canon Bridge House
25 Dowgate Hill
London EC4R 2SB

Legal Advisors to the Company

Kantor and Immerman
MacDonald House
10 Selous Avenue
Harare

Auditors and Reporting Accountants

Deloitte & Touche Chartered Acountants (Zimbabwe)
Kenilworth Gardens
1 Kenilworth Road
Highlands
Harare

Registrars and Transfer Secretaries

Corpserve (Private) Limited
8th Floor Bryanston House
George Silundika Avenue
Harare

ISSUE STATISTICS

Issue Price	Z$1.00
Nominal value per share	Z$0.10
Number of Placing Shares	145,000,000
Number of Offer Shares	145,000,000
Number of Ordinary Shares in issue following the Issue	725,000,000
Market Capitalisation at Issue Price	Z$725 million
Percentage of enlarged issued ordinary share capital available under the Issue	40%
Value of the Placing at the Issue Price	Z$145 million
Value of the Offer at the Issue Price	Z$145 million

DEBENTURE ISSUE STATISTICS

Debenture Price	Z$10,000
Number of Offer Debentures	10,000
Number of Placement Debentures (1)	15,000
Value of the Offer at the Debenture Price	Z$100 million
Value of the Placement at the Debenture Price	Z$150 million

Note 1:
Under a previous arrangement between the Company, NMB and First Mutual Life Asset Management, 15,000 Debentures valued at Z$ 150 million were placed with First Mutual Life Asset Management.

PLACING EXPECTED TIMETABLE

	1998
Funds to be received from Placees	16 September
Dispatch of definitive share certificates	16 September
Dealings in the Ordinary Shares expected to commence on the ZSE at 9.00 am Zimbabwe time on	17 September

OFFER EXPECTED TIMETABLE

	1998
Offer expected to open in Zimbabwe	20 August
Offer expected to close in Zimbabwe 12.00 noon on	3 September
Listing expected to be confirmed by the ZSE	15 September
Dispatch of definitive Ordinary Share and Debenture certificates and refund cheques	16 September
Dealings in the Ordinary Shares and Debentures expected to commence on the ZSE at 9.00 am Zimbabwe time on	17 September

ATTRIBUTABLE EARNINGS

The following summary of Attributable earnings is extracted from, and should be read in conjunction with the principal assumptions underlying the Attributable earnings in Part II of this document.

	1999	2000	2001
Turnover (Z$000)	566,863	1,209,888	1,509,183
Attributable earnings (Z$000)	(33,845)	431,851	449,941
Earnings per share (cents)	(4,66)	59,57	62,06
Earnings yield (% based on issue price)	(4,66)	59,57	62,06
Price earnings ratio (times)	n/a	1,68	1,61

FURTHER COPIES OF THE PROSPECTUS

Copies of this prospectus may be obtained from all branches of NMB, the sponsoring brokers - CST, Fleming Martin, Intermarket Stockbrokers and Kingdom Stockbrokers and from all members of the ZSE, commercial banks, merchant banks and discount houses registered in Zimbabwe.

PART I

KEY INFORMATION

1. INTRODUCTION

1.1 TSM, a company specialising in wireless communication networks in Africa was established in 1993. Econet, a wholly owned subsidiary of TSM was formed in August 1994 for the purpose of providing technical services on wireless communications to TSM. Rather than providing technical services to TSM, it was decided that Econet be used for undertaking a cellular project.

1.2 In December 1997, Econet was awarded the second licence to offer cellphone services in Zimbabwe. By the time Econet was awarded the licence, Z$160 million had been spent on acquiring the necessary equipment and developing the business. Subsequent to the awarding of the licence, Z$156 million has been committed on further network expansion to enable Econet to offer full commercial service which commenced on 10 July 1998. Econet had to rely on expensive short-term debt for these further commitments.

1.3 Econet is a wholly owned subsidiary of Econet Wireless Holdings Limited. The Company was incorporated on 4 August 1998. The Company's sole business is that of a holding company. Its only subsidiary is Econet.

1.4 Econet offers a wide range of cellular services to its subscribers, including the following.

- Prepaid cellular services
- Toll free emergency numbers
- Facsimile
- Messages
- Alternate speech and facsimile transmission from a single cellular unit
- Call forwarding
- Call barring
- Waiting and holding
- Optional services to specialised users
- Directory and information services.

2. COMPETITIVE ADVANTAGES

- Econet has put in place an experienced management team recruited for its technical and managerial skills. The Board comprises experienced individuals in fields of finance, engineering, telecommunications and information technology.
- Use of sophisticated network designs and state of the art technology. Econet has support from world leaders in equipment supply and service support.
- Econet has an independent earth station
- Provision of directory and information services
- Provision of a Customer Management Centre manned on a twenty-four-hour basis
- Brand "identity" and loyalty
- Competitive tariff structure
- Provision of a wide range of supplementary value added services
- Provision of prepayment packages
- Capacity to provide band width on the earth station for Internet service providers
- Foreign currency earning capacity from incoming international calls
- Innovative services to fixed cellular users providing efficient business services
- Efficient and effective distribution system using shops in business centres and suburbs
- Offers business users a dedicated international access line without congestion, and without the need for them to subscribe for any cellular service.

3. SUMMARY OF FINANCIAL FORECASTS

Forecast Income Statements

Year ended 30 June	1999 Z$ '000	2000 Z$ '000	2001 Z$ '000
Turnover	566,863	1,209,880	1,509,183
Profit before interest and tax	55,007	592,397	679,483
Net Interest expenses	(88,852)	(42,657)	(16,297)
Profit (loss) before tax	(33,845)	549,740	663,186
Taxation	-	(117,889)	(213,245)
Attributable earnings	(33,845)	431,851	449,941
Proposed dividends	-	-	(404,947)
Balance brought forward	-	(33,845)	398,006
Retained earnings	(33,845)	398,006	443,000

4. PURPOSE OF THE ISSUE

4.1 Econet intends to rapidly expand its coverage of Zimbabwe. In order to achieve this, it wishes to raise sufficient funds to:

- **Expand existing capacity**
  Install base stations throughout Zimbabwe and to expand its switching capacity to 74,000 subscribers by December 1998.
- **Retire expensive short term debt**
  To refinance the short-term debt used to acquire additional base stations for Harare and Bulawayo through the issue of five year redeemable debentures.
- **Increase working capital**
  To provide adequate working capital
- **Broaden Share Ownership**
  The issue will broaden the share ownership base and bring on board as shareholders a variety of stakeholders, including local and international institutions and the general public.

PART II

INFORMATION ON ECONET

1. THE BUSINESS

1.1 On 10 July 1998 Econet commenced commercial services. At the time the network was launched, over 10,000 subscribers had been vetted and approved for service. Since then applications have continued to be submitted to Econet. At present approximately 1,500 new applications for service are being received weekly. At this rate, it is estimated that Econet will have obtained more than 50% of market share by the end of October 1998. From the time of its launch, Econet has already established itself as the market leader in several key areas of the cellular business in Zimbabwe:

- **Coverage in the capital city of Harare**

  With sixteen base stations installed at the time of launch, Econet now has extensive coverage of the City of Harare and Chitungwiza.

- **Capacity**

  Econet currently has a capacity of 34,000 subscribers. Econet has also ordered a new switch from Ericsson which will increase switching capacity by an additional 40,000 subscribers before the end of December 1998.

- **Prepaid**

  The prepaid system is fully operational and Econet expects to commercially launch this product before the end of August 1998.

- **Voicemail and Short Messaging Services**

  Econet provides a comprehensive voice mail and short messaging service making it the first operator in Zimbabwe to announce the commercial availability of such services on commercial launch.

- **Customer care**

  Econet is the first operator in Zimbabwe to introduce high street shops and a dedicated twenty-four hour customer management centre. Whilst this is common in other countries, this level of direct customer contact has no precedence in Zimbabwe.

- **International gateway**

  Econet has installed an independent digital earth station which enables it to move both fixed and cellular traffic into and from Zimbabwe using advanced digital technology.

- **International roaming**

  In less than one month of operation, Econet had established roaming agreements with thirteen other GSM operators in several countries. Hitherto the only other competitor to have announced roaming had only announced roaming with two networks in one country.

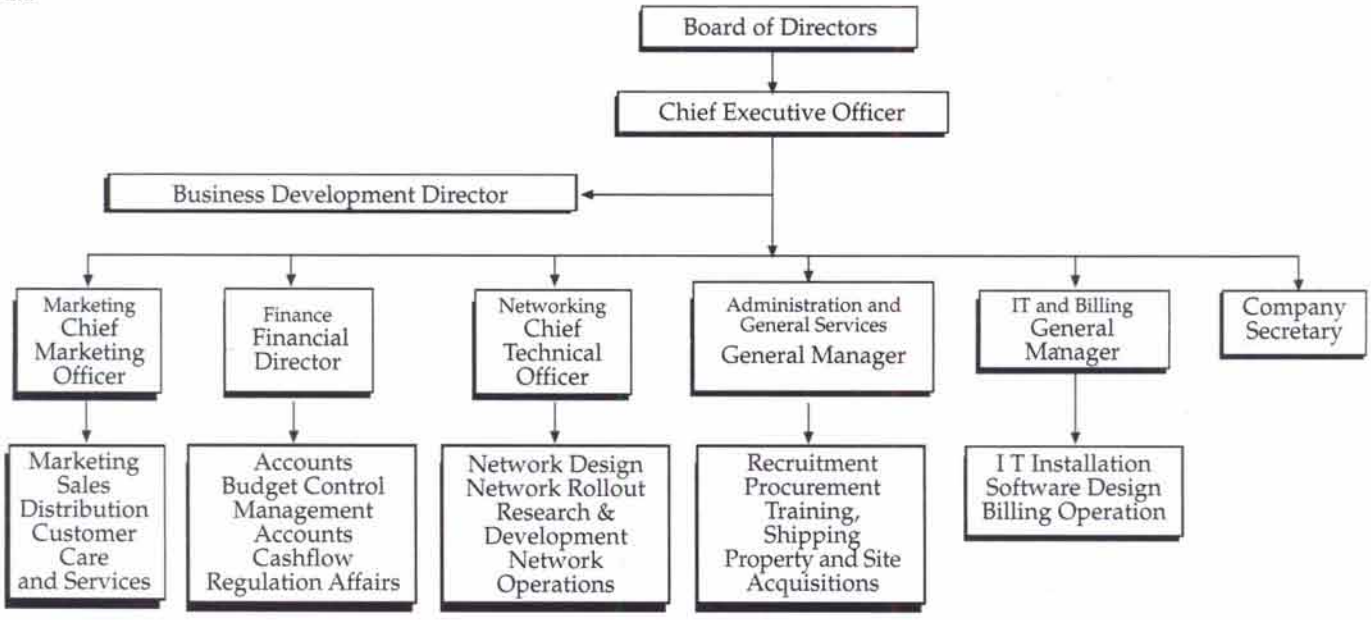
- **Econet Crisis Centre**

  In an exclusive strategic alliance with MARS (Medical Air Rescue Services), the largest private national emergency service in Zimbabwe, Econet is able to provide its customers with a comprehensive emergency service.

ORGANISATIONAL STRUCTURE OF ECONET HOLDINGS

2.

2.1



The activities of the Company fall under the CEO. Senior management, consisting of General Managers and Chief Technical Officers, are charged with the responsibilities of managing each of the divisions and are all members of Executive Committee, chaired by the CEO. The divisional heads were carefully selected for their experience and professional skills in their fields.

2.2 Marketing

Econet has established a comprehensive distribution system to give it the widest possible access to different market segments, this includes high street shops and in-store shops.

2.3 Finance

The finance department is responsible for Econet's accounts, budgets and budgetary control, managing cash flows and the overall financial system.

2.4 Networking

Network design, roll-out, research and development and network operations are the responsibility of this department. Ericsson has been responsible for the provision of switching equipment, base station systems, operation and maintenance control and value added services platforms. Staff in the department received intensive training from Ericsson. The department mans the customer management centre on a twenty-four-hour basis.

2.5 Administration and General Services

The department is responsible for procurement, shipping, property and site acquisitions, recruitment and training.

2.6 Information Technology and Billing

The department is responsible for IT installation, software design and billing operations. Apart from billing, the department manages all IT requirements in the company and other activities such as internet and international roaming.

3. SECTOR BACKGROUND

Lack of efficient communications in Zimbabwe remains a key constraint to economic growth, particularly when compared with the more dynamic telecoms sectors of Zimbabwe's neighbours. Network growth has been largely inactive in the 1990s, but there are signs of improvement with expansion planned for the period up to the millennium. The Supreme Court of Zimbabwe following a successful application by Econet, removed the ZPTC monopoly with respect to the provision of cellular services. This has resulted in the licensing of Econet and another cellular service operator, in addition to the ZPTC. The GOZ does not have plans to licence a fourth operator in the foreseeable future. Fixed line services are still subject to the monopoly of the GOZ owned ZPTC.

4. OUTLOOK AND PROFIT FORECASTS

4.1 The granting of cellular licences to Econet and another operator, in addition to the ZPTC opens the market for voice telephony. Following the trend for growth in demand for cellular services in other regional countries, the Directors expect the market to be considerable, with growth following the demand pattern established elsewhere in Africa. There are a number of different models used for forecasting demand in cellular markets, though most now use similar principles based upon demographics, spread of population, disposable incomes and savings rates.

4.2 In Zimbabwe, with relatively low penetration rates and poor reliability, the Directors see cellular telephones as a substitute for fixed telephony, particularly during the early years of operation. Therefore, during the early years of operation certain market segments are expected to buy and use a cellular telephone in order to be assured of good service and ease of connection.

The Directors believe that suppressed demand is such that these users would tend to be less price sensitive than would be the case in a mature market and usage rates tend to be higher than average cellular users for these groups.

4.3 Econet is well positioned to benefit from this situation, especially through its value added services, aggressive roll-out plan and its unique distribution system as well as its digital earth station.

4.4 Forecast Income Statements

Year ended 30 June	1999 Z$ '000	2000 Z$ '000	2001 Z$ '000
Turnover	566,863	1,209,880	1,509,183
Profit before interest and tax	55,007	592,397	679,483
Net Interest expenses	(88,852)	(42,657)	(16,297)
Profit (loss) before tax	(33,845)	549,740	663,186
Taxation	-	(117,889)	(213,245)
Attributable earnings	(33,845)	431,851	449,941
Proposed Dividends	-	-	(404,947)
Balance brought forward	-	(33,845)	398,006
Retained earnings	(33,845)	398,006	443,000

4.5 Assumptions

These profit forecasts have been based on a detailed financial model on the following assumptions:

- Inflation will average 35%, 30% and 28% per annum during the years 1999, 2000 and 2001 respectively.
- No increase in the interconnection costs and income in excess of those provided for in the Interconnection Agreement with the ZPTC.
- No increase in licence fees or charges in excess of those provided for in the licence.
- Customer segmentation as follows:

	1999	2000	2001
Business	50%	45%	35%
Consumer	10%	5%	5%
Prepaid	40%	50%	60%

- No major changes in import tariffs
- Taxation has been computed using current tax legislation
- Subscriber assumptions - (total Zimbabwe market)

	1999	2000	2001
Population (000's)	12,020	12,381	12,752
Cellular Market Penetration	0.62%	0.89%	1.10%

- Average market share of 40% of the cellular market
- Average market share of 10% on the international traffic
- Interest rates will continue to move in line with inflation.
- The equity and debenture issue will raise Z$540,000,000 before expenses, which will be received by the end of September 1998.

5. REGULATORY BACKGROUND

The GOZ plans to establish an independent regulator on the model established by other African countries such as Botswana and South Africa, comprising an agency answerable to the relevant Ministry. In the meantime, the task of establishing licences, allocation of spectrum, etc., remains the responsibility of the Minister of Information, Posts and Telecommunications who is the current Regulator.

6. THE LICENCE

The Supreme Court judgement in terms of which Econet was deemed licensed to provide a cellular telecommunications service (the first licence) allowed the Minister of Information, Posts and Telecommunications to impose lawful terms and conditions to Econet's licence. After some negotiations with Econet, the Minister issued a licence to Econet on 30 July 1998 (the second licence). The material terms and conditions of the licence are set out below.

6.1 The Term

The second licence extends the term of Econet's licence to 15 years calculated from the 10th of July 1998.

6.2 Licence Fees

An annual basic fee of Two Million Seven Hundred Thousand Zimbabwean Dollars (Z$2,700,000) is payable. The fee is reviewable after three years, and thereafter annually provided that any increase in the fee shall not exceed the annual increase in the rate of inflation for the preceding year.

An annual channel fee of Thirty Six Thousand Zimbabwean Dollars (Z$ 36,000) in respect of each duplex 200 kHz channel allocated to Econet is payable. Econet was allocated 40 channels.

A levy equal to 5% of the audited net operating revenue (gross turnover less operating expenses and cost of sales) for each year of the licence is payable bi-annually, commencing within three months after the end of the first financial year of the Company.

These fees and levies are standard licence terms applicable to licenced cellular operators throughout the world.

6.3 Scope of Licence

Econet is licensed to provide a cellular telecommunications service within, into, and from Zimbabwe.

6.4 Tariffs

Econet is allowed to provide competitive tariffs. Any increase in current tariffs requires application for approval to be made to the regulator, who is required to respond to such application within 14 days failing which the increases shall be deemed to have been granted. The regulator is bound to provide written reasons for any decisions which it may make and further recourse would then be available should Econet be dis-satisfied with any decision.

6.5 Cancellation

Unless renewed by agreement between the regulator and Econet, the licence shall terminate on the expiry of fifteen (15) years calculated from the 10th of July 1998. The regulator may terminate the licence in the event that Econet commits a breach of the licence terms and conditions, and fails to remedy the breach despite reasonable notice having been given for it to remedy the breach.

7. DIRECTORS, SENIOR MANAGEMENT AND STAFFING

7.1 Directors

The Company is led by a Board comprising nine members. The Company's Directors are also the Directors of Econet. Below are brief details of the board members:

Non-Executive Chairman

Professor Norman Nyazema

Age:	47 years
Address:	6 Old Catton Road Mt Pleasant **Harare**

Professor Norman Nyazema began his career in 1981 as a lecturer in clinical pharmacology at the University of Zimbabwe, where he was chairman of the Department of Pharmacology from 1985 – 1988. He spent a year in USA and a year in Italy at different research projects of the University of Florida (1989) and Istituto Superiore Di Sanita (1990) respectively and was appointed Director IICHE in 1992/93. He is currently the Vice Chairman of the Medicine Control Authority of Zimbabwe. His position as the founding Chairman of the Telephone Users Association and previous board position on the Consumer Council will enable Econet to be sensitive to the public's requirements in the field of cellular communications. Professor Nyazema holds BSc (Life Sciences), BSc (Hons Pharmacology) and PhD degrees.

Executive Directors

Strive Masiyiwa -	Chief Executive Officer
Age:	37 years
Address:	58 Apes Road Vainona **Harare**

Strive Masiyiwa has extensive experience in the telecommunications sector having worked for the ZPTC for five years. Strive is a well known business leader in Zimbabwe whose prominence has led to regular invitations to speak on social and business development issues in Zimbabwe and abroad. Strive was awarded Zimbabwe Businessman of the year award in 1990. He was a member of the private sector consultative committee for the establishment of the Social Dimension Fund to alleviate poverty arising from economic structural adjustment. He is a director of Thebe Investment Corporation (South Africa). In 1995 he was appointed to the board of the Southern African Enterprise Development Fund by President Clinton of the United States of America. He holds a degree in electrical and electronic engineering (CUMLAUDE) from the University of Wales.

Jeffrey Mzwimbi -	Business Development Director
Age:	42 years
Address:	9 Bridgenorth Road Greendale **Harare**

Jeffrey Mzwimbi pursued a career in banking and finance and achieved senior management status during his eight year career with Zimbank and Syfrets Merchant Bank. He left the local banking industry in 1989 to join the PTA Bank and worked in the trade finance division for the bank and structured and designed trade finance products. He joined Econet in 1996 to mobilise the financing for the business. He is responsible for business development and project finance.

Marion Moore - Financial Director
Age: 43 years
Address: 5 Bisley Circle
Belvedere
Harare

Marion Moore is an experienced accountant. She has twenty-four years' experience in finance, fifteen of which are at Finance Director level for several leading international and local companies. Marion is fully conversant with a high-tech environment having spent seven years as Finance Director of a leading computer company in Harare. She is a fellow of the Institute of Chartered Secretaries and Administrators.

Non- Executive Directors

Nigel Chanakira

Age: 32 years
5 Nevitt Road
Cranborne
Harare

Nigel Chanakira is the Chief Executive Officer and a founder of Kingdom Securities Holdings Limited. He has worked in Zimbabwe's financial markets for ten years and is well known in the investment banking sector. Nigel holds a BSc (Hons) Economics and an MSc (Hons) Economics degrees from the University of Zimbabwe. He is a director of several companies in Zimbabwe.

Michael Humphrey

Age: 44 years
Address: 5 Westminister Avenue
Strathaven
Harare

Michael Humphrey is presently the Managing Director of his own company which provides consultancy services in trade and economic matters. His customers are Non Governmental Organisations and trade organisations. Previously he was a director of ZimTrade, Chief Economist for the Confederation of Zimbabwe Industries and Project Officer for the Zimbabwe Development Bank. He is an Economist and holds degrees in BA (Hons) History, (RSA); MA Area Studies (UK) and BSc (Hons) Economics (UZ).

Tawanda Nyambirai

Age: 28 years
Address: 1st Floor – Unity Court
Corner Union Avenue/First Street
Harare

Tawanda Nyambirai is an Assistant General Manager – Legal and Company Secretary of NMB. Before joining NMB, he was a Partner of Kantor & Immerman Legal Practitioners. He specialised in Commercial and Constitutional Law Practice. He was a member of the Chinhoyi Degree Foundation Committee and chaired its University Governance and Legal sub-committee. He is a director of several companies. While in law practice, he handled the dual listing of NMBZ Holdings Limited on the London and Zimbabwe Stock Exchanges and Econet's application to be deemed licenced to operate a cellular telecommunications service. He holds a Bachelor of Law (Hons) Degree of the University of Zimbabwe and a Certificate in International Conflict Studies of Uppsala University, Sweden.

Zachary Wazara

Age: 35 years
Address: 14th Floor Fidelity Life Tower
Corner Raleigh/Luck Streets
Kopje
Harare

Zachary joined an international advertising agency as a media planner in 1987 and was subsequently promoted to Account Director. In 1995 he joined Blue Ribbons Foods as the General Manager responsible for Sales and Marketing, a position he held until he joined Econet in early 1997. Zachary played a major role in the compilation and subsequent award of the tender to provide mobile telecommunications in Botswana. In January 1998 Zachary moved to Botswana and played a pivotal role in the implementation of the network. He was subsequently appointed as the Chief Operating Officer there, a role which will enable him to make a valuable contribution on the Board of Econet Wireless. Zachary holds a Bachelor of Business Studies (Hons) Degree (UZ) and Masters Degree in Business Administration.

Shadreck Nkala
Age: 55 years
Address: 21 Armdale Road
Vainona
Harare

Shadreck Nkala is a Chartered Engineer with a BSc and MSc in Electrical Engineering (Wales UK). He joined the ZPTC in 1974 as an Electrical Engineer. He was promoted to a Director position in charge of operations, a position he held until he left the ZPTC in 1988. He currently owns and manages two companies which operate in the telecommunications sector.

7.2 Executive Committee

The activities of the Company fall under the CEO. Senior management, consisting of General Managers and Chief Technical Officers, are charged with the responsibilities of managing each of the divisions and are all members of the Executive Committee, chaired by the CEO. The divisional heads were carefully selected for their experience and professional skills in their fields.

Peter Correia – Chief Engineer
Age 34 years

Peter Correia joined Siemens South Africa in 1982 under a bursary programme and spent a total of eleven years with the company. During this time, Peter opted to specialise in the cellular section of Siemens and was involved in the planning and high level support of the Telkom analogue network. When Telkom realised the cellular system was too large for analogue, Peter was sent to Germany to train on GSM and went back to the Republic of South Africa to form part of the team to plan and install more than 225 GSM base stations. Peter then joined Vodacom as a Manager responsible for Network planning and optimisation working on the GSM network to ensure quality of the air interface. He spent six months with the South African Regulator as a Senior Manager responsible for frequency planning. He is a qualified electrical engineer (Republic of South Africa).

Hannes Fourie - General Manager Sales and Marketing
Age: 33 years

Hannes qualified through the South African Department of Posts and Telecommunications. In 1987 he joined the private sector in the PABX market as a device manager where he gained experience in the telecommunications, IT and general management areas. He joined Plessey SA in 1993 and was seconded to Radio spoor and MTN under contract by Plessey to set up infrastructure in anticipation of cellular operations. He joined Astec Cellular, a Service Provider for both MTN and Vodacom, owned by Plessey, as Head of Operations and second in charge to the Managing Director. He has gained experience in the management of all business areas in the cellular industry. In November 1997, Hannes received the Chief Executive Officer's award from Vodacom, recognising him as one of the top ten people in the cellular industry in South Africa. Hannes joined Econet in 1998.

Douglas Mboweni- General Manager IT and Billing
Age: 34 years

Douglas Mboweni holds a BSc Maths and computer Science degree (UZ). He held a number of senior positions having started off as an Analyst/Programmer with a computer company and worked as a Senior Systems Analyst for six years before he joined Econet in 1996.

Blantina Chipangura - General Manager Administration and Personnel
Age: 45 years

Blantina Chipangura has 16 years experience in the field of administration and personnel. She began her career in 1981 with GOZ as a senior administration officer and later joined the Harare City Council, becoming the District Officer for Mount Pleasant. She joined ZESA in 1988 as their Principal Administration Officer and Founders Building Society in 1991 as the Human Resources and Training Manager. Blantina's combined experience in the public and private sector, coupled with her wide exposure to administration, property planning, personnel and training, makes her well qualified to carry out her role. She holds a B A (Hons) Social Administration degree from Nottingham University, and is a member of the Institute of Personnel Management of Zimbabwe.

Nicholas Rudnick - Company Secretary, Head Commercial Services
Age 28 years

Nicholas Rudnick joined Econet in 1998 and is responsible for regulatory and corporate affairs. Before joining Econet he was a Legal Practitioner with Kantor & Immerman where he specialised in Commercial law. He was part of the team which represented Econet in its applications for a licence to operate a cellular telecommunications network and also part of the legal team working on the dual listing of NMBZ Holdings Limited on the Zimbabwe and London Stock Exchanges. He holds Bachelor of Arts and LLB degrees from the University of Cape Town.

7.3 Senior Management

Krison Chirairo - Chief Accountant
Age: 44 years

Krison Chirairo started his career as a Police Officer in 1972. He then joined the ZPTC in 1978 as a Postal Assistant and rose through the ranks to Principal Accountant in 1991. He left the ZPTC to join ZESA in 1992 as an Assistant Chief Accountant and was promoted after a few months to Chief Accountant. Krison recently joined Econet and has extensive experience in billing.

John Pattison- National Services Manager
Age: 51 years

John has many years of experience in general management. His experience in the Cellular industry was attained at MTN South Africa whom he joined in 1995 as Business Development Manager. He also held the positions of Corporate Sales Manager and Services Manager during his tenure with MTN and controlled all corporate sales and service provision for the Western Cape when he left them in 1998 and joined Econet.

Nicholas Read - Senior Engineer - Data & Network Management
Age: 30 years

Nicholas Read joined Econet in May 1996 as the Manager of the Computer Network. A graduate of the University of Zimbabwe, where he obtained a first class honours degree, Read has emerged as a key engineer in the development of Econet. He is currently responsible for data networks and satellite communications and since his arrival at Econet he has supplemented his experience with external training. He holds a BSc (Hons) Engineering degree (UZ).

Moloko Banda - Senior Engineer - Network Management
Age: 36 years

Moloko Banda started his career in 1989, as a trunk switching engineer at the ZPTC. He was promoted to Section Manager in 1991 and Principal Engineer in 1995. During the period he was with the ZPTC, he participated in the Mashonaland/Manicaland digitalisation project, the Gweru ITSC upgrade project and the Midlands digitalisation project. Moloko joined Econet in early 1996. He holds BSc Maths and Physics (Hon) degrees (UZ).

Gift Mbaya- Project Development Manager
Age: 35 years

Gift started his career in Sales with Shell Development Zimbabwe as a Sales Representative, and rose through the ranks to the position of Project Development Manager. He joined Econet in 1997 as National Sales Manager. Gift holds a BSc (Hons) in Biological Sciences (UZ).

Theodore Kanyepi - Financial Manager
Age: 38

Theodore completed her Articles with Ernst & Young in 1995. She subsequently worked for a number of organisations in senior positions. She joined Econet in 1996 as Financial Manager, a position she holds to date.

Tom Loney- Training Manager
Age: 58

Tom started his career 38 years ago as a trainee telecommunications technician. After eleven years in the telecommunications technical laboratory, he moved into the training forum, where he remained ever since. In 1987, he moved from the telecommunications industry to the computer industry, where he obtained a commercial perspective on training. He joined Econet in 1996.

Alex Kawondera - Purchasing and Shipping Manager
Age: 40 years

Alex has 15 years experience in Purchasing and Administration with particular emphasis in customs clearance, security, local and foreign procurement. He joined Econet in 1998 and is responsible for the procurement of all network equipment.

Andrew Nyambayo - Manager Network Property Development
Age: 30 years

Andrew Nyambayo started his professional career with the ZPTC, where he worked as a telecommunications engineer. He joined the Masiyiwa Group of companies in 1993 as a Project Manager on the construction of the new RBZ headquarters building. The company then sent him on a one year programme in the UK to study manufacturing techniques on circuit breaker technology, joining the cellular project on his return. He holds a BSc (Hons) Engineering degree (UZ).

7.4 Staffing

Departments	Number of Employees		
	1996	1997	1998
Finance	6	5	25
Billing and IT	2	2	15
Network Services	24	27	35
Personnel and Administration	3	3	15
Marketing and Sales	15	14	51
TOTAL	50	51	141

8. PRO-FORMA CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 1998

	Pre Issue Z$'000	Issue Z$'000	Post Issue Z$'000
Capital Employed			
Share capital	43,500	29,000	72,500
Share premium		228,618	228,618
Total shareholders' funds	43,500	257,618	301,118
Non-distributable reserves	21,252		21,252
Structured debt		250,000	250,000
Long term loan	1,552		1,552
	66,304	507,618	573,922
Employment of Capital			
Long term assets			
Fixed assets	120,597	461,412	582,009
Pre-operating expenditure	118,088		118,088
	238,685	461,412	700,097
Current assets			
Sundry debtors	652		652
Current liabilities			
Short term loan	46,206	-46,206	0
Creditors	83,395		83,395
Bank overdraft	43,432		43,432
	173,033	-46,206	126,827
Net current liabilities	172,381	-46,206	126,175
	66,304	507,618	573,922
Net asset value per share - cents per share	15.2		79.16

8.1 The proforma consolidated balance sheet of the Econet Holdings Group consists of the audited balance sheet at 30 June 1998 with the following adjustments:

Pre Issue
Balance sheet prior to the Z$540,000,000 to be raised in terms of this prospectus.

Post Issue
Balance sheet to show the effect on the share capital, debt and cash of the Z$540,000,000 raised before expenses of the issue. Net of expenses, proceeds are Z$507,617,500.

Loans and borrowings

	Pre Issue Z$'000	Issue Z$'000	Post Issue Z$'000
Structured debt	0	250,000	250,000
Short term debt	46,206	(46,206)	0
	46,206	203,794	250,000

Structured debt

This refers to debentures to be raised from the issue.

Short term debt

This refers to the bridging loan obtained to purchase networking equipment. The whole debt will be liquidated from proceeds of the issue.

Group capital expenditure

Capital expenditure for the next 12 months all relates to purchase of networking equipment which will be valued at $500 million.

Expenses of the Issue

	Z$'000
Preliminary expenses for registration	900
Issuing house fees	1,000
Underwriting and commitment fees	13,300
Printing and advertising	2,500
Professional fees and other	10,800
Sponsoring brokers and ZSE fees	2,500
Allotment commission	1,383
	32,383

Directors' emoluments

The following amounts have been provided in respect of Directors emoluments:

	1997 Z$'000	1998 Z$'000
Salaries Executive	6,600	6,600
Salaries Non Executive	1,000	1,000
Fees	1,900	1,900
	9,500	9,500

8.2 Directors' interests

The beneficial interest both direct and indirect of each director at the date of issue holding in excess of 1% of the shares are as follows:

Directors	Directly held	Percentage
ST Masiyiwa	263,175,000	60.50%
J Mzwimbi	63,075,000	14.50%
N. Chanakira	10,875,000	2.50%

8.3 No payment has been made to any director in the three years preceding the date of this prospectus to induce him to become a director.

- save as disclosed in this prospectus, the directors of Econet have no direct or indirect beneficial interest in any of the material contracts nor in the promotion of the company or in any property acquired by the company during the three years preceding the date of this prospectus.
- the directors of Econet have no interest in transactions entered into by Econet during the current or the preceding financial year and which remain in any respect outstanding or unperformed.

9. CORPORATE GOVERNANCE

9.1 The Board has established an Audit Committee, a Consumer Affairs Committee and an Investment and Network Development Committee. The membership of the Audit Committee comprises Nigel Chanakira, Michael Humphrey, Tawanda Nyambirai and Marion Moore.

9.2 The Audit Committee's responsibilities include the review of the adequacy of Econet Holdings' systems of internal control, the review and approval of interim financial statements, consideration of any accounting policy change and the review of post audit financial statements and audit findings. The Audit Committee also sets remuneration of the Executive Directors and approves guidelines for the Company's annual pay review. The external auditors have unrestricted access to the Audit Committee.

9.3 The membership of the Consumer Affairs Committee comprises Professor Norman Nyazema, Zachary Wazara and Jeffrey Mzwimbi. The Consumer Affairs Committee is responsible for reviewing and approving the various policies designed to improve services and products provided by Econet.

9.4 The membership of the Investment and Network Development Committee comprises Shadreck Nkala, Strive Masiyiwa, Jeffrey Mzwimbi, Michael Humphrey, Tawanda Nyambirai and Marion Moore. The Investment and Network Development Committee will be responsible for approving new capital expenditure.

10. SHARE REGISTER AND LISTING

10.1 The Ordinary Shares are in registered form and are or will be evidenced by definitive share certificates. Following the Listing there will be one register for the Ordinary Shares kept in Zimbabwe. Econet Holdings' Transfer Secretaries are Corpserve (Private) Limited. The Company has applied to list the Ordinary Shares and the Debentures on the ZSE.

11. DIVIDENDS AND DIVIDEND POLICY

11.1 The Directors whilst intending to pursue a progressive dividend policy, will balance this against the need to retain capital in the business. The directors intend to pay interim and final dividends in April and October respectively. Interim dividends are expected to represent approximately 40% of the total annual dividend paid. The first dividend following the Listing is expected to be an interim dividend payable in April 2001.

11.2 The Ordinary Shares now being issued will, on Listing rank pari passu in all respects with the existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid in respect of the ordinary share capital of the Company.

11.3 Each holder of an Ordinary Share is entitled to dividends declared by the Company if that holder is the registered holder on a record date. In order to comply with the Zimbabwe Exchange Control requirements, dividends paid to holders of Ordinary Shares in UK will, although declared in Zimbabwe dollars, be paid in Sterling, at the conversion rate then applying after deduction of Zimbabwe withholding tax. Under the terms of the double taxation treaty between Zimbabwe and the United Kingdom withholding tax will be charged at the rate of 15% of the gross amount of the dividend, or if the recipient is a company which controls directly or indirectly at least 25% of voting power, the rate is reduced to 5% of the gross dividend. Under Zimbabwe tax law the rate of withholding tax on dividends from securities listed on the ZSE is 15% of the gross dividend.

12. THE ISSUE

12.1 Under the issue, Econet Holdings is issuing 290,000,000 new Ordinary Shares and 25,000 Debentures, valued at Z$290 million at the Issue Price and Z$250 million at the Debenture Price at par respectively.

12.2 The Placing which comprises entirely of Ordinary Shares, has been underwritten in full by Standard Equities. The Placing is conditional, inter alia, on Listing taking place by 17 September 1998 or such later date as the Company, NMB and Standard Equities may agree, not being later than 7 October 1998. The Placing Shares are to be placed with institutional and other investors outside of Zimbabwe.

12.3 The new Ordinary Shares and the Debentures to be issued pursuant to the Offer are being underwritten in full by NMB. The Offer Debentures will only be available to Zimbabwean residents. Further details of the arrangements relating to the Offer are described below.

12.4 The Directors and companies connected with them have undertaken, as part of the arrangements relating to the Issue, subject to certain limited exceptions, not to dispose of any Ordinary Shares which they currently own or may acquire following the Issue prior to the publication of the preliminary results for the year ending 30 June 2000, without the prior written consent of NMB.

13. TERMS AND CONDITIONS OF THE OFFER

13.1 The Company is inviting applications for the Offer Shares and Offer Debentures on the terms and conditions set out in Annexure IV and Annexure V attached to this prospectus to be issued in Zimbabwe only in connection with the Offer and the instructions contained in the Application Forms attached as Annexures VI and VII to this prospectus.

13.2 Commission at the rate of 0.35% will be paid on Offer Shares and Offer Debentures allocated in respect of applications which bear the stamp of:

- Members and non-member institutions of the ZSE
- Commercial Banks, Merchant Banks, and Discount Houses registered in Zimbabwe.

No commission will be paid on Application Forms bearing more than one stamp or no stamp but the Application Form itself will not be invalidated.

13.3 No person receiving a copy of this prospectus and/or Application Forms in any territory other than Zimbabwe may treat the same as constituting an invitation or offer to him of Offer Shares and Offer Debentures, nor should he in any event use the Application Forms unless, in the relevant territory, such an invitation or offer of Offer Shares and Offer Debentures can lawfully be made to him or the Application Forms could lawfully be used without contravention of any legislation or other legal or regulatory requirements. Receipt of this prospectus and/or Application Forms does not constitute an offer in the territories in which it would be unlawful to make such an offer and in such circumstances this prospectus and/or any Application Forms are sent for information purposes only.

PART III

INVESTMENT CONSIDERATIONS

1. Introduction

Purchasers should consider, the matters set out below with respect to an investment in Econet Holdings, some of which are not normally associated with investments in the securities of issuers incorporated in the UK or other certain jurisdictions.

2. Economic and Political Environment

All of the earnings of the Company are derived from operations and assets located in Zimbabwe. Accordingly, the Company's financial performance and the market price of the Ordinary Shares may be affected by the political and economic situation in Zimbabwe and its neighbouring countries and by exchange rates and exchange controls, interest rates, tax rate, trade and employment practices, foreign investment restrictions, changes in governmental policy and other political, economic or other developments in or affecting Zimbabwe.

3. The Cellular Market

Three cellular licences have been issued, including the Econet Licence. The market for voice telephony is therefore largely open and following the trend for growth in demand for cellular services in other regional countries, it is expected that the market will be considerable. The growth is likely to follow the demand pattern established elsewhere in Africa where low reliability and poor telephone penetration levels are common. In Zimbabwe, low penetration rates prevail and cellular phones are seen as a substitute for fixed telephony, particularly during the early years of operation. The subscriber base in Zimbabwe can be broken into four categories comprising;

- the business community;
- consumers/residential subscribers (comprising low and high income groups);
- shared access users; and;
- prepaid customers.

4. Enforcement of Judgements

A final and conclusive judgement obtained outside Zimbabwe should be recognised and enforced by the Zimbabwe courts except in certain circumstances, the main examples of which are set out below. Judgements will not be enforced, inter alia, if the judgement was obtained by fraud or in proceedings contrary to natural justice, the judgement is inconsistent with a Zimbabwe judgement in respect of the same matter or its enforcement would be contrary to public policy. There is Zimbabwe legislation to give effect, with more limited exceptions, to judgements obtained in designated foreign countries. These are Australia, Dominica, Germany, Ghana, Portugal and South Africa.

5. Currency Risks

The value of the earnings and assets of the Company as measured in Zimbabwe dollars may be affected unfavourably by fluctuations in currency rates. All dividends and distributions on the Ordinary Shares will be declared in Zimbabwe dollars.

6. Exchange Control

With exchange control approval, Zimbabwean companies are permitted to export capital from Zimbabwe or to make investments outside Zimbabwe. As a result, the ability of the Company to raise and deploy capital outside Zimbabwe may be restricted. It is not possible to predict with any certainty whether such exchange controls will be abolished, modified or continued by the GOZ in the future. Part V of this document contains further information regarding Zimbabwe Exchange Control and, in particular, the regulations pertaining to the issue and transfer of shares.

7. Liability of Taxation

The operations of the Company are subject to taxation in Zimbabwe.

8. Reporting and Accounting Standards

The Company prepares its financial statements in accordance with International Accounting Standards, with the exception of IAS 12 on accounting for deferred taxation.

Deferred taxation arising from temporary timing differences between income reflected for the year and taxable income, will be provided on those amounts expected to become payable in the foreseable future. The amount not provided for on the full liability basis will be shown as a contigent liability.

PART IV

ZIMBABWE EXCHANGE CONTROL

1. Introduction

The following is intended to be a general guide only for non-resident investors, and is based on current Zimbabwe legislation and practice. The guide is not intended to be comprehensive and may be affected by changes in legislation and/or practice. Persons who are in any doubt as to the position in any particular case should consult their professional advisers.

2. General

Whenever a Zimbabwe resident or a foreign resident carrying on a business in Zimbabwe wishes to undertake a foreign currency transaction, or any other transaction involving an outflow of money from Zimbabwe, that person's ability to do so is controlled by the exchange control system. Broadly, any foreign currency transaction or transaction involving or leading to an obligation to make a foreign currency payment outside of Zimbabwe requires the consent of the Minister of Finance under the Exchange Control Regulations 1996. By virtue of the Exchange Control (General) Order 1996, the granting of any approval is left to the RBZ. In some circumstances, the approval may be left to authorised dealers, which include commercial banks and acceptance houses registered in Zimbabwe. Any exchange control decision can be appealed to a higher panel of exchange control officials and ultimately to the Minister of Finance himself. The opportunity to make written representations is provided for at every stage of the appeal process.

3. Issue of shares

A listed Zimbabwean company has general approval to issue securities to foreign residents, or to nominees of foreign residents, where those securities are to be registered on a register in Zimbabwe and the aggregate holdings of all non-residents and their nominees do not exceed 40% of the issued share capital of the company. It is also a prerequisite for the general approval that any purchase price of the shares is paid for in foreign currency and transmitted to Zimbabwe through normal banking channels. Approval is not required where the new securities are to be registered on a register outside Zimbabwe. All share certificates issued to non-residents of Zimbabwe in respect of any shares registered on the Zimbabwe register must be endorsed "Non Resident" and "for sale in Zimbabwe only".

4. Transfer of shares

There are no exchange control restrictions on a Zimbabwean company creating an overseas register or on the transfers of shares, or other securities, where these are registered outside Zimbabwe. There are, however, a number of restrictions that apply to shares or other securities where they are registered in Zimbabwe. The transfer secretary of a company in Zimbabwe and the ZSE are responsible for ensuring compliance with these restrictions. Where shares are listed on the ZSE, there is a general approval permitting a transfer of shares registered in Zimbabwe to a non-resident of Zimbabwe or his nominee, provided the aggregate holdings of all non-resident and their nominees do not exceed 40% of the issued share capital of the company. It is also a requirement of the general approval that any purchase price for the shares is paid for in foreign currency and transmitted to Zimbabwe through normal banking channels and that the shares have the appropriate legend endorsed thereon as referred to above.

5. The Issue

On the basis of the Issue structure described in this document Standard Equities has received advice from the Company's Zimbabwe advisers that the Issue structure accords with the requirements of Zimbabwe exchange control and consequently does not require the specific approval of the RBZ.

6. Exchange Control Breaches

The transfer secretary who is responsible for maintaining the register in Zimbabwe is under an obligation to ensure compliance with the exchange control provisions.

To the extent that a transfer of ordinary shares registered on the Zimbabwe register involves a breach of the above restrictions, the ownership rights of the non-resident will not be invalidated except where he is aware that the issue or transfer of ordinary shares was unlawful. The transfer secretary in Zimbabwe will notify any proposed vendor or purchaser whether or not any purchase of ordinary shares registered on the Zimbabwe register is affected by the above restrictions.

Accordingly, persons may trade without concern for exchange control regulation (other than relating to their own individual limits) on the Zimbabwe register.

7. Payments of money from and to Zimbabwe

Where a non-resident purchases shares registered in Zimbabwe, payment must be made in foreign currency through an authorised dealer. Such a non-resident is entitled to remit the proceeds of sale outside Zimbabwe without further specific exchange control approval. There are no other limitations upon a non-resident investor's right to recoup the proceeds of his investment from Zimbabwe. All dividend payments made by a company to non-resident investors must be made through an authorised dealer who may remit the dividend amount in foreign currency (less any tax payable). At present there is a ceiling on the amount of dividends that a company with non-resident shareholders may declare equal in value of 100% of the company's current net after tax profits (but before capital profits) regardless of the level of revenue reserves. The RBZ and other authorised dealers may withhold the dividend payment if they believe a company has insufficient financial reserves to pay the dividend, or where the dividend does not relate to bona fide trading profits for the year in question.

8. Other matters

Certificates of title relating to shares purchased by non-residents in accordance with the Exchange Control Regulations may be held by the non-resident shareholders, provided the consideration paid for the shares is comprised entirely of funds free from exchange control and is paid for by the person who exports the certificate of title or other document.

PART V

STATUTORY AND GENERAL INFORMATION

A. FOURTH SCHEDULE OF THE ACT

Introduction

The following information is given in terms of the Fourth Schedule to the Companies Act (Chapter 24:03). The paragraph numbers correspond with the paragraph numbers of the Fourth Schedule.

1. Econet Wireless Holdings Limited was incorporated in Zimbabwe on 4 August 1998 and the address of the registered office is:

   14 Floor Fidelity Life Tower
   Corner Raleigh/Luck Streets
   Kopje
   Harare

2. There is no shareholding qualification for Directors.

   The Non Executive Directors shall be paid fees. The amount of fees shall be fixed by the Directors, provided that the amount shall not, in any one year, exceed in aggregate, 5% of the dividends declared in that year, or such other sum as may from time to time be approved by Ordinary Resolution. (Article 71)

   Any Director who serves on any committee, or who at the request of the Directors goes or resides abroad, makes any special journey or performs services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a director, is remunerated. The remuneration may be in the form of a salary, commission or other form determined by the Directors, in addition to, or in lieu of any fee payable to him for his services as a Director. (Article 71)

   The remuneration of Executive Directors shall be in the form of salaries and or a percentage of dividends distributed not to exceed 5% of such dividends or upon such other basis as may be determined by the Directors. The remuneration shall be fixed by the Directors.

   The Directors shall be refunded all reasonable expenses properly incurred in the performance of their duties. (Article 72)

   The Directors may exercise the powers of the Company to establish and maintain a non-contributory or contributory pension or superannuation funds for the benefit of salaried Directors. (Article 73) Subject to the articles, the Directors may take out and maintain insurance for the benefit of directors, officers, employees or auditors. (Article 74)

3(1) The names, occupations and addresses of the Directors of the Company are given on paragraph 7 of Part II of this prospectus.

3(2) The name and address of the auditors of the Company are given under Directors and Advisors.

3(3) At each Annual General Meeting one third of the Directors or, if their number is not a multiple of three, then the number nearest to but not exceeding one third, shall retire from office and be eligible for re-election. (Article 81).

The Directors to retire in every year shall be those who wish to retire, and those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. (Article 82).

No person other than a Director retiring at the meeting shall be eligible for election to the office of Director at any general meeting unless not less than seven and not more than forty-two days before the meeting there shall have been given to the Secretary notice in writing, signed by five (5) members of their intention to propose such person for election and also notice in writing signed by that person of his willingness to serve in that capacity. (Article 86).

The Company, at the meeting at which a Director retires in the manner aforesaid, may, by ordinary resolution fill the vacated office. (Article 88).

The Company may, by ordinary resolution of which special notice has been given, remove any Director before the expiration of his period of office, and may by Ordinary Resolution appoint another eligible person in his stead, and the person so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same had he not been removed. (Article 87).

The Company in general meeting may from time to time by ordinary resolution increase or reduce the number of Directors provided that the number shall not be less than four. (Article 68).

The Directors shall have the power at any time and from time to time to appoint any eligible person as Director either to fill a casual vacancy or as an addition to their number, but so that the total number of Directors shall not at any time exceed the maximum number fixed, but any Director so appointed shall hold office only until the next Annual General Meeting of the Company and shall then be eligible for re-election. (Article 89).

The Managing Director is appointed by the Directors, and there are no exclusive or special rights held in respect of the appointment of any Director, or the Managing Director.

4(a) The minimum amount which in the opinion of the Directors, must be raised by the issue of the shares offered for subscription in terms of this prospectus is Z$290,000,000 being 290,000,000 ordinary shares of Z$0.10 each. This amount is required for the following purposes:-

	Z$'000s
Capital Expenditure (Network Equipment)	216,000
Working Capital	56,000
Estimated expenses of this issue – (1)	18,000
Including the underwriting and other fees detailed in paragraph 13 of Part V of the prospectus	
Total	290,000

Note: 1
Pro-rata portion of the total issue costs.

4(b) The proceeds of the issue of shares will not be applied to repay any money borrowed by the Company. The money borrowed by the Company and the pro-rata portion of the expenses of the Issue will be repaid from the proceeds of the Issue of the debentures. Future capital expenditure will be financed from the ongoing operations of Econet.

5. The subscription lists will open at 8:00am on 20 August 1998 and close at 12.00 noon on 3 September 1998.

6(1) Prior to Friday, the 14th of August 1998, the entire authorised share capital of Econet was issued and alloted. The entire issued share capital of Econet was held by TSM immediately prior to 14th August 1998. TSM was also owed Z$64,720,000 on loan account by Econet.

On 13 August 1998, TSM concluded an agreement with the Company in terms of which:

- TSM agreed to cede its loan account of Z$64,720,000 in Econet at a discount of 32.84%, for Z$43,468,000 to the Company.
- The Company agreed to pay the consideration for the loan account through an issue of its own ordinary shares of 10 cents each at par.
- TSM agreed to sell its 32,000 Ordinary Shares of Z$1 each in Econet to the Company at a consideration of 10 Ordinary Shares of 10 cents each in the Company for every one Ordinary Share of Z$1 in Econet.

Pursuant to the agreement referred to above, the Company issued 435,000,000 Ordinary Shares of 10 cents each in its capital, including one subscriber share issued at incorporation, to TSM at par.

The amount payable on application in respect of the shares and debentures offered is Z$1 per ordinary share and Z$10,000 per debenture respectively. No further amount is payable on allotment.

The following fully paid up shares have been issued since the formation of the Company on 4 August 1998:

	Number of shares	Par value Z$
Shares issued on incorporation	1	0.10
Shares issued to TSM for the purchase of Econet shares	320,000	32,000.00
Shares issued to TSM for the purchase of the loan account	434,679,999	43,467,999.90
Shares in issue as at 14 August 1998	435,000,000	43,500,000.00

6(2) The Ordinary Shares of the Company are being offered at a premium of 90 cents, representing the Group's projected growth and its pre-issue underlying net asset value per share excluding the value of the licence, of 15.2 cents.

Executive Share Option Scheme

7. On 4 August 1998, the Company adopted by ordinary resolution of its members, an Executive Share Option Scheme. The principal terms of the scheme are set out below

All full-time Executive Employees, including Executive Directors, but excluding those Directors who own shares in T S Masiyiwa Holdings (Pvt) Ltd directly or indirectly other than under a Workers' Trust Company are eligible.

- An individual employee may not hold options in respect of the shares exceeding 10% of the shares reserved for the scheme.
- Shares constituting 1% of the issued share capital of the Company from time to time are reserved for the scheme.
- The price at which the options may be exercised shall be the middle market price of the Company's shares on the day immediately preceding the option date, as shown by the official price list published by the Zimbabwe Stock Exchange.
- The options are available for 10 years from the date of the grant of the option, but may only be exercised after two years from the option date.
- The rest of the terms and conditions of the scheme are set out in the rules of the scheme which are available for inspection in terms of paragraph D of this section.

Dealers and Employees

A total of two million shares out of the 145 million offer shares have been set aside for preferential allocation to Econet Dealers, Franchise Operators, and employees, at the issue price.

8. Apart from the issue of shares referred to in paragraph 6 of this Part of the prospectus, the Company has not within the two preceding years issued or agreed to issue any shares or debentures as payable otherwise than in cash.

9. The Company has not acquired nor does it propose to acquire any property which is to be paid for wholly or partly out of the proceeds of the issue other than property acquired or proposed to be acquired in the ordinary course of the Company's business or where the purchase money for the property is not material.

10. The Company has not purchased any property save for that purchased in the ordinary course of business, or that in respect of which the purchase money is not material, in respect of which any money was payable for goodwill.

11. No amount was paid to any person within the two preceding years, is payable as commission to any person or sub-underwriter, who is a promoter, director, or other officer of the Company.

12. The expenses of the Issue, including the preliminary expenses are estimated at Z$32,382,500, comprising:

	Z$
Preliminary Expenses (registration)	900,000
Issuing House Fees	1,000,000
Printing and advertising	2,500,000
Other professional fee	10,800,000
Sponsoring Brokers and ZSE Fees	2,500,000
Allotment Commission	1,382,500
Underwriting Fees	13,300,000
	32,382,500

13. No amount or benefit has been paid or given by the Company to any promoter within the two years preceding the date of this prospectus, nor is it intended to pay or give any sub-underwriter who is a promoter director or other officer of the company, partnership, syndicate or other association, of which any promoter is or was at any material time a member except as shown in paragraph 15 below.

14. The following contracts have been entered into by members of the group other than in the ordinary course of business:
    - An agreement concluded on 13 August 1998 between TSM and the Company whereby the Company acquired 100% of the authorised and issued share capital of Econet and TSM's loan account in Econet.
    - The underwriting agreements between the Company and NMB in terms of which NMB has underwritten the issue of the ordinary shares and the debentures.
    - The underwriting agreement between the Company and Standard Equities in terms of which Standard Equities has underwritten the private placement of the placing shares.

15. The Beneficial shareholders of TSM are:

Strive T Masiyiwa	60.5%
Tsitsi Masiyiwa	7.0%
Jeffery Mzwimbi	14.5%
Daniel Shumba	2.4%
John Shumba	2.4%
Econet Employee Beneficial Trust	10.3%
Nigel Chanakira	2.4%
Professor Norman Nyazema	0.5%
TOTAL	100%

Of these Beneficial Shareholders, Strive Masiyiwa, Jeffery Mzwimbi, Nigel Chanakira and Professor Norman Nyazema are Directors of the Company and Econet. Marion Moore is a beneficiary of the Econet Employee Beneficiary Trust. No other Director has any interest in the promotion of Econet and no sums have been or are to be paid to any Director or promoter in cash or otherwise to induce him to become a member of Econet, or for services rendered by him in connection with the promotion of Econet, other than the payment of professional fees to non directors in respect of the preparation of the prospectus.

TSM currently holds 100% of the Issued Share Capital of Econet Wireless Holdings Limited. Immediately following the issue, TSM shall hold 60% of the Issued Share Capital of the company.

16(1) Apart from the Econet Executive share option scheme referred to in paragraph 8 and the interests of the Directors referred to in paragraph 16 above there are no founder , management or deferred shares in the capital of Econet.

16(2) The Company has an authorised Share Capital of Z$90 million divided in to 900 million shares of 10 cents each.
    - Z$43,5 million of the Company's Share Capital comprising 435 million shares of 10 cents each is issued and paid up.
    - All the ordinary shares of the Company have equal voting rights, rights to Dividends and rights to participate in distribution of a liquidation, as set out in the Company's articles of association.
    - Any variation of the rights attaching to shares of any class requires the written consent of the holders of three-fourths in nominal value of the issued shares of the class, or an ordinary resolution passed at a separate general meeting of the members of that class (Article 5).
    - The Directors of the Company may only exercise the power of the Company to allot unissued shares with the authority of an ordinary resolution of the members of the Company. (Article 13) No shares will have been placed under the control of the directors at the time of the issue.

17. The Company was formed on 4 August 1998. It is the Holding Company of Econet. Econet has been carrying on business since 1994.

18,19 & 20 The reports of the Company's external auditors Deloitte and Touche Chartered Accountants (Zimbabwe), are attached as Annexures I and II.

B. ZSE LISTING REQUIREMENTS

The following information is given in terms of the ZSE listing rules. The paragraphs of the listing rules are reflected in the subheadings. Where the information required in terms of the listing rules has been provided elsewhere in this prospectus, such information is not duplicated in this section.

1. Paragraph 7.A.1 – 7.A.3

1.1 The Company's share transfer secretaries are Corpserve (Private) Limited whose offices are at:

8th Floor Bryanston House
George Silundika Avenue
Harare

1.2 The Company's sole wholly owned subsidiary, Econet Wireless (Private) Limited has changed its name within the last three years. It was registered in 1994 as Enhanced Communications Networks (Private) Limited. It changed its name to Econet Cellular Zimbabwe (Private) Limited on 4 August 1997. It has been trading as Econet Wireless and has since changed its name to Econet Wireless (Private) Limited with effect from 6 August 1998.

2. Paragraphs 7.B.3- 7.B.6

These requirements are met by the information given under paragraph 2 of the fourth schedule.

3. Paragraph 7.B.1

These requirements are met by the information given under paragraph 3 of the fourth schedule.

4. Paragraph 7.C.8

These requirements are met by the information given under paragraph 4(b) of the fourth schedule.

5. Paragraph 7.C.4

These requirements are met by the information given under paragraph 5 of the fourth schedule.

6. Paragraph 7.A.4, 7.A.8 and 7.C.6-7

These requirements are met by the information given under paragraph 6 of the fourth schedule.

7. Paragraphs 7.A.24, 7.A.25, 7.H, 7.B.10, 7.B.12, 7.B.9, 7A.26 – 7.A.28, 7.B.13 – 7.B.16, 7.A.6, 7.A.7 and 7.A.10

These requirements are met by the information given under paragraphs 7, 8, 9, 11, 12, 13, 15 and 16 respectively, of the fourth schedule.

8. Paragraph 7.C.3 and 7.A.14-16

The following are the main terms of the unsecured surbordinated debentures:

8.1 Trustee

The Trustee for the holders of Debentures is NMB. In addition to the power conferred by law, the Trustee has the power to enforce the due performance by the Company of all terms and conditions of the Debenture Trust Deed and to recover from the Company all monies due by it in respect of the Debentures.

8.2. Issue

The Company shall issue 25,000 Debentures of Z$10,000 each. The debentures shall be unsecured and redeemable.

8.3. Listing

The Debentures will be listed on the ZSE.

8.4. Subordination

The Debentures will be issued as unsecured subordinated Debentures. The rights of Debenture Holders to the repayments of capital shall become subordinated to the claims of other unsubordinated creditors.

8.5. Interest

The Debentures will not entitle the holder to participate in the profits available for distribution to shareholders. The rate of interest payable on the Debentures will be the greater of: the average Treasury Bills rate from time to time plus 3%; and 28% per annum.

8.6. Redemption

The Debentures shall be redeemed by the Company at par on 31st June 2003. The Company shall not be entitled to anticipate the redemption.

9. Paragraph 7A 12 – 13

The following are the borrowing powers which the directors may exercise on behalf of the Company:

9.1 In terms of the Company's articles (Article 102) and the Debenture Trust Deed (paragraph 29), the Directors may exercise the powers of the Company to borrow up to 200% of the aggregate of:

9.2 the issued share capital and share premium or stated capital of the Company: and

9.3 the distributable and non-distributable reserves including unappropriated profits of the group reduced by any adverse amount reflected in the consolidated income statement;

excluding:

9.4 good will

9.5 revaluation reserves arising prior to 30th June of each year

9.6 provision for taxation, deferred tax, and any balance standing to the credit of the tax equalisation account.

10. Paragraph 7A 15, 7A 17 – 7A 2

10.1 Econet incurred short term loans for purposes of acquiring some of the network equipment, through cash advances and irrevocable letters of credit. The particulars of these loans and the security therefore are set out in the Auditors' Report. (Annexure 1)

10.2 The particulars relating to other material commitment and off balance sheet financing are covered in the Auditors' Report.

10.3 On 13 August 1998, the Company's Board resolved to cancel the loan account of Z$64,720,000 held by the Company in Econet and to credit the amount of the loan to the non-distributable reserves of Econet.

11. Paragraph 7.9

11.1 Copies of the following documents will be available for inspection at Kantor and Immerman Legal Practitioners during normal business hours from 20 August to 3 September 1998:

- The memorandum and articles of association of the Company
- The underwriting agreement with NMB
- The letters of consent of the various parties
- The resolutions pertaining to this Issue
- The interconnect agreement between Econet and the ZPTC
- The debenture trust deed
- The licence to operate a Cellular Telecommunication system
- The underwriting agreement with Standard Equities
- The Econet Executive Share Option Scheme
- The Executive Directors' Service Agreements
- Directors' powers of attorney

12. Paragraph 7.9

12.1 Deloitte and Touche, Chartered Accountants of 1 Kenilworth Road, Highlands, Harare, (the auditors of the Company) have given and have not withdrawn their written consent to the inclusion of their report and references thereto in the form and context in which they appear in this prospectus.

12.2 A copy of this prospectus has been registered with the Registrar of Companies, Harare in terms of the Act with:

12.3 The consent of the following parties, which consents have not been withdrawn before delivery of this document for registration:

- Corpserve (Private) Limited
- CST
- Fleming Martin
- Intermarket Stockbrokers
- Kantor and Immerman
- Kingdom Stockbrokers
- NMB
- Standard Bank London Limited Project Finance Division
- Standard Equities

12.4 Underwriting Agreements with NMB and Standard Equities

12.5 The Debenture Trust Deed

DIRECTORS' RESPONSIBILITY STATEMENT

Paragraphs (7.B.17, 7.D.11, 7.E.12, 7.E.15)

There are no legal arbitration proceedings (including any such proceedings which are pending or threatened) of which the Company is aware which may have, or have had during the twelve months preceding the date of this document, a significant effect on the Company's financial position.

In the opinion of the Directors, after taking into account the existing bank facilities available to the Company together with the estimated net proceeds of the Issue to be received by the Company, the working capital available to the Company is sufficient for its present and near future requirements.

The Directors whose names are given below collectively and individually accept full responsibility for the information contained in this document. To the best of the knowledge and belief of the directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Directors confirm that the listing particulars include all such information within their knowledge as investors and their professional advisors would require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer and of the rights attached to the securities to which the listing particulars relate.

Signed this day of 14 August 1998

Prof. Norman Nyazema .....

Strive Masiyiwa .....

Jeffrey Mzwimbi .....

Marion Moore .....

Strive Masiyiwa .....
as attorney for Michael Humphrey
duly authorised by a power of attorney

Nigel Chanakira .....

Tawanda Nyambirai .....

Strive Masiyiwa .....
as attorney for Shiddreck Nkala
duly authorised by a power of attorney

Zachary Wazara .....

Deloitte & Touche

Chartered Accountants (Zimbabwe)
1 Kenilworth Gardens
Kenilworth Road
Highlands
P O Box 267
Harare
Zimbabwe

Telephone 746248, 720965
746271
Facsmile: 746225

ANNEXURE I

INDEPENDENT ACCOUNTANTS' REPORT

5 August 1998

The Directors
Econet Wireless Holdings Limited
14th Floor Fidelity Life Tower
Corner Raleigh/Luck Streets
Kopje

HARARE

Gentlemen

ECONET WIRELESS HOLDINGS LIMITED ("ECONET HOLDINGS") OR THE "COMPANY"

Econet Wireless Holdings Limited is incorporated in Zimbabwe.

In terms of Sections 18,19 and 20 of the Fourth Schedule of the Companies Act (Chapter 24:03) we report hereunder on the results of Econet Wireless Holdings Limited and its subsidiary company in respect of the period up to 30 June 1998, being the date to which the audited financial statements were drawn.

a. The company was incorporated in Zimbabwe on 4 August 1998 (registration number 7548/98).

b. The company has a 100% beneficial holding in Econet Wireless (Private) Limited.

c. This report has been prepared for inclusion in the group's public offer in August 1998.

d. The directors are responsible for the preparation of the public offer document and the information contained therein.

e. We are the auditors of the group; the financial information contained in this report was prepared from the audited financial statements of the company and its subsidiary.

f. The directors of the company are responsible for the financial statements from which our report has been prepared. All relevant financial statements have been audited and received unqualified audit opinions.

g. The financial information contained in this report has been prepared in accordance with the following accounting policies established for the group:

Accounting Convention

These financial statements of the group are prepared in terms of the historical cost convention. Procedures are not adopted to reflect the impact of specific price changes or changes in the general level of prices.

Consolidation

The financial statements of the company and its subsidiary are consolidated as at 30 June 1998 which is considered to be the effective date of acquisition.

The financial statements of the company and its subsidiary are consolidated as at 30 June 1998 which is considered to be the effective date of acquisition.

Turnover

Turnover is the amount derived from the sale of services and goods, after the deduction of trade discounts and sales tax.

Depreciation of fixed assets

Fixed assets are depreciated using the straight line method at annual rates that will reduce book amounts to estimated residual values over the anticipated useful lives of the assets as follows:

Computers	15%
Plant and equipment	10%
Motor vehicles	15%
Furniture and fittings	15%

Leased assets

The company leases substantially all of its motor vehicles under finance leases.

Assets leased under finance leases are capitalised at their cash cost equivalent. Such assets are depreciated on the straight-line basis at rates considered appropriate to reduce book amounts over their useful lives to residual values. Lease finance charges are amortised over the duration of the finance leases.

Pre-operating expenditure

Operating expenditure incurred before the commencement of operations has been capitalised. Such expenditure will be amortised on the straight-line basis over a period of ten years.

Foreign currency translation

Transactions in foreign currencies are translated into Zimbabwean currency at rates of exchanges ruling at the time of the transaction. Exchange gains or losses arising on the settlement of foreign currency transactions are normally dealt with in the income statement. Exchange gains or losses in respect of foreign financing specifically arranged for capital assets are included in the costs of the assets concerned. Assets and liabilities in foreign currencies are translated into Zimbabwean currency at rates of exchange ruling at the balance sheet date. Exchange gains or losses on translation are normally dealt with in the income statement.

Capitalisation of borrowing costs

Borrowing costs that are incurred up to the completion of construction of a capital project or that are incurred before a capital assets is brought into use are included in the gross carrying amount of the assets to which they relate.

h. The audited pre-operating expenditure incurred up to the end of June 1998 amounted to $118,088,000.

i. The following is a statement of the audited assets and liabilities of the Group as at 30 June 1998

	Company $000's	Group $000's
Capital Employed		
Share capital	43,500	43,500
Share premium		
Total shareholders' funds	43,500	43,500
Non-Distributable reserves		21,252
Long term loan		1,552
	43,500	66,304
Employment of Capital		
Long term assets		
Fixed assets		120,597
Pre-operating expenditure		118,088
		238,685
Investment in the subsidiary	43,500	
Current assets		
Sundry debtors		652
Current liabilities		
Short term loan		46,206
Creditors		83,395
Bank overdraft		43,432
		173,033
Net current liabilities		172,381
	43,500	66,304

Notes

a. There are no comparative balance sheets since these are the first financial statements of the group.

b. For the same reason there are no cashflow statements.

c. Share Capital

Authorised

900 million shares with a par value of 10 cents each

Issued

435 million shares with a par value of 10 cents each

d. Long term loan

Motor vehicles finance leases	1,552

e. Fixed assets

Network equipment	63,440
Motor Vehicles	4,200
Furniture and Fittings	4 858
Work in progress	48,099
	120,597

Motor vehicles with a net book value of $4,1 million are held under a finance lease.

f. Short term loan:

The group owes $46,2 million to National Merchant Bank of Zimbabwe Limited. The loan carries an interest rate of 41%.

g. The Group has authorised and contracted for capital commitments of $115 million for the coming year.

Yours faithfully

Deloitte & Touche

Deloitte & Touche
Chartered Accountants (Zimbabwe)
Harare

Deloitte & Touche

Chartered Accountants (Zimbabwe)
1 Kenilworth Gardens
Kenilworth Road
Highlands
P O Box 267
Harare
Zimbabwe

Telephone 746248, 720965
746271
Facsmile: 746225

ANNEXURE II

INDEPENDENT ACCOUNTANTS' REPORT ON FINANCIAL STATEMENT FORECASTS

5 August 1998

The Directors
Econet Wireless Holdings Limited
14th Floor Fidelity Life Tower
Corner Raleigh/Luck Streets
Kopje
HARARE

Gentlemen

PROFIT FORECASTS

We have reviewed the accounting bases and calculations of the group profit forecasts of Econet Wireless Holdings Limited and its subsidiary company for which you, as directors, are solely responsible, for the three years ending 30 June 2001 as set out in Part II of this prospectus.

In our opinion the foregoing profit forecasts, so far as the accounting bases and calculations are concerned, have been properly compiled using the assumptions made by you as set out in section 7 and are consistent with the accounting policies adopted by the group.

Actual results may be different from the forecasts since anticipated events frequently do not occur as expected and the variation may be material.

Yours faithfully

Deloitte & Touche

Deloitte & Touche
Chartered Accountants (Zimbabwe)
Harare

NATIONAL MERCHANT BANK OF ZIMBABWE LIMITED

(REGISTERED ACCEPTING HOUSE)

Tel: (263-4) 759651/9
759601/6
Fax: (263-4) 759648
Telex: 2

P. O. Box 2564,
1st Floor, Unity Court
Union Ave/First Street
Harare, Zimbabwe

ANNEXURE III

ISSUING HOUSE'S REPORT ON PROFIT FORECASTS

August 1998

The Directors
Econet Wireless Holdings Limited
14th Floor Fidelity Life Tower
Corner Raleigh/Luck Streets
Kopje
HARARE

Gentlemen

PROFIT FORECASTS

We refer to the profit forecasts of your Company for the three years ending 30 June 2001 as set in paragraph 4.4 of Part II of this prospectus.

We, National Merchant Bank of Zimbabwe Limited, have discussed with you and your auditors, Deloitte and Touche assumptions and calculations underlying the forecasts.

In the light of the above, we have formed the opinion that the forecasts, for which you as directors are solely responsible, have been prepared with due care and attention and that the assumptions are appropriate to the environment in which your Company operates.

Actual results may be different from forecast since anticipated events frequently do not occur as expected and the variation may be material.

Yours faithfully
For National Merchant Bank of Zimbabwe Limited

J T MAKONI
Chief Executive Officer

ANNEXURE IV

TERMS AND CONDITIONS OF THE ISSUE

Applications

Application lists will open at 8.00 am on 20 August 1998 and will close at 12.00 noon on 3 September 1998.

Applications must be received not later than 12.00 noon on 3 September 1998 at

NATIONAL MERCHANT BANK OF ZIMBABWE LIMITED

2nd Floor
Unity Court
Union Avenue/First Street
Harare

1st Floor
First Mutual House
Ninth Avenue/Main Street
Bulawayo

Mail applications post marked on or before 3 September 1998 but received by 12.00 noon on 5 September 1998 will be accepted. Any mail applications received after this date will not be accepted.

The price of the shares being offered is Z$1.00 per share.

1. Each application must be accompanied by a cheque or a bank draft drawn in the currency of Zimbabwe for the full amount due in respect of the shares applied for, made in favour of "NMB Econet – Share Issue" and crossed "not negotiable". Bank commission MUST NOT BE included.
2. All cheques and drafts received in respect of applications will be deposited on receipt by National Merchant Bank of Zimbabwe Limited into a separate account at Stanbic Bank of Zimbabwe Limited, Samora Machel Avenue, Harare.
3. Subscribers applying for Z$20 million or more in shares have the option to submit their applications unaccompanied by a cheque or bank draft. These applicants however, must pay on allotment in terms of paragraph 5 OF OTHER TERMS AND CONDITIONS below.

OTHER TERMS AND CONDITIONS

1. Applications must be for a minimum of 100 Shares and must be made on the application forms on Annexure VI. Any application made on a copy of the application form will not be accepted. Applications for 100 to 2 000 Shares must be in multiples of 100 Shares, for over 2 000 and up to 10 000 Shares applications must be in multiples of 500 Shares, and applications for over 10 000 Shares must be in multiples of 1 000 Shares.
2. Any material alterations on application forms other than the deletion of alternatives, must be authenticated by the full signature of the applicant.
3. Applications will be irrevocable and may not be withdrawn, except in terms of Section 69(5) of the Companies Act (Chapter 24:03).
4. Save as provided in paragraph 5, a single cheque or bank draft must accompany each application form, except in the case of bulk applications by recognised nominee companies.
5. Bona fide applicants applying for Z$20 million or more in shares may make payment in either of the following ways:
   - 5.1 By paying the full amount payable on application.
   - 5.2 By paying what is then due and payable on allotment on 16 September 1998.
   - 5.3 NMB at its sole discretion reserves the right to request for cash cover before accepting such applications.
   - 5.4 Details of allotment will be faxed and delivered on 16 September 1998.
   - 5.5 Payments not received by 12 noon on 16 September 1998 will attract interest at 5% above NMB's prime lending rate.
6. Payments may either be by cheque, bank draft or direct deposit/transfer. Proof of deposit or direct transfer must be submitted to NMB by no later than 4:30pm on 3 September 1998.
7. ONLY ONE APPLICATION WILL BE ACCEPTED FROM AN APPLICANT OR JOINT APPLICANTS. Applicants other than recognised nominee companies who submit more than one application render themselves liable to have ALL their applications rejected.
8. Persons or companies applying in a nominee capacity must disclose the names and addresses of their principals and the number of Shares applied for on behalf of each principal.
9. NO RECEIPT will be given for applications and remittances.
10. Econet Wireless Holdings Limited reserve to themselves the right, at their discretion, to refuse any application for Shares and/or abate applications on a basis to be determined by them.
11. If an application is accepted for a lesser number of Shares than that applied for, the excess paid on application will be refunded by NMB AT THE RISK OF THE APPLICANT, by no later than 22 September 1998.
12. Notification of the number of Shares allotted and share certificates will be posted to successful applicants at their risk to the address given in their respective application forms by no later than 22 September 1998. Instructions to send to another address will NOT BE ACCEPTED.
13. Applicants are not required to lodge any documents in support of their applications, or applications on behalf of third parties unless called for by NMB.

ANNEXURE VII

ECONET WIRELESS HOLDINGS LIMITED

APPLICATION FORM
ZIMBABWE RESIDENTS
(Excluding Resident FCA Holders)

APPLICATION FORM: ECONET WIRELESS HOLDINGS LIMITED

Public Offer of 25,000 Variable Rate, 2003 DEBENTURES at Z$10,000 each at par.

This form when completed should be forwarded to NATIONAL MERCHANT BANK OF ZIMBABWE LIMITED - Corporate Finance Department, 2nd Floor, Unity Court, Union Avenue/ First Street, (P O Box 2564) Harare, together with a separate cheque or bank draft for the amount due in respect of the debentures applied for and crossed "not negotiable" drawn in favour of "NMB Econet - Debenture Issue".

APPLICATION LISTS WILL OPEN AT 8.00 AM ON THURSDAY 20 AUGUST 1998 AND WILL CLOSE AT 12.00 NOON ON THURSDAY 3 SEPTEMBER 1998.

The Directors
Econet Wireless Holdings Limited
C/o National Merchant Bank of Zimbabwe Limited - Corporate Finance Department
2nd Floor Unity Court
Union Avenue/First Street
P O Box 2564
HARARE

CONTINENTAL SECURITIES TRADING (PVT) LTD.
MEMBERS OF THE ZIMBABWE
STOCK EXCHANGE
P.O. BOX CY 255
CAUSEWAY, HARARE

Gentlemen

I/We the undersigned, declare that I/we have full legal capacity to contract, where relevant, authority to sign on behalf of the applicant and hereby irrevocably apply for and request you to accept this as my/our application for the allotment/transfer to me/us, subject to the Memorandum of Association of ECONET WIRELESS HOLDINGS LIMITED of the undermentioned number of debentures at Z$10,000 at par in the currency of Zimbabwe or any lesser number that may in your discretion be allocated to me /us in terms of your prospectus dated 14 August 1998.

I/We understand that my/our application may be refused without reasons being given for such refusal.

I/We enclose a crossed cheque/bank draft in favour of "NMB Econet - Debenture Issue" for the amount due in respect of my/our application detailed below.

Signature

Company stamp
(Where applicable)

Dated day of 1998

OFFICIAL USE ONLY	Residential Status				
APPLICATION NUMBER					

THE FOLLOWING MUST BE COMPLETED BY TYPEWRITER OR IN BLOCK LETTERS BY EACH APPLICANT.
PLEASE NOTE ACCOMPANYING INSTRUCTIONS.

A. FIRST NAME IN FULL								
B. SURNAME OR NAME OF CORPORATE BODY								
C. POSTAL ADDRESS AND TOWN/CITY (Preferably P O Box No.)								
NUMBER OF SHARES APPLIED FOR		Millions	Hundreds Thousands	Ten Thousands	Thousands	Hundreds	Tens	Units
	FIGURES ONLY							
	WORDS ONLY							
PAYMENT IN FULL AT Z$1,00 PER SHARE (Do not include bank charges)	FIGURES ONLY							
	ONE CHEQUE OR DRAFT PER APPLICANT							
TELEPHONE NUMBER ..... (In case of query)	BANK ENDORSEMENT ONLY							

ANNEXURE V

TERMS AND CONDITIONS OF THE DEBENTURE OFFER

Apllications

Application lists will open at 8.00 am on 20 August 1998 and will close at 12.00 noon on 3 September 1998.

Applications must be received not later than 12.00 noon on 3 September 1998 at

NATIONAL MERCHANT BANK OF ZIMBABWE LIMITED

2nd Floor
Unity Court
Union Avenue/First Street
Harare

1st Floor
First Mutual House
Ninth Avenue/Main Street
Bulawayo

Mail applications post marked on or before 3 September 1998 but received by 12.00 noon on 5 September 1998 will be accepted. Any mail applications received after this date will not be accepted.

The price of the debentures being offered is Z$10,000 per debenture.

PAYMENT

1. Each application must be accompanied by a cheque or a bank draft drawn in the currency of Zimbabwe for the full amount due in respect of the debentures applied for, made in favour of "NMB, Econet Debenture Issue" and crossed "not negotiable". Bank commission MUST NOT BE included.
2. All cheques and drafts received in respect of applications will be deposited on receipt by National Merchant Bank of Zimbabwe Limited into a separate account.
3. Subscribers applying for Z$20 million or more in debentures have the option to submit their applications unaccompanied by a cheque or bank draft. These applicants however, must pay on allotment in terms of paragraph 5 OF OTHER TERMS AND CONDITIONS below.

OTHER TERMS AND CONDITIONS

1. Applications for Debentures must not be for fractions and must be made on the application form on Annexure VII. Any application made on a copy of the application form will not be accepted.
2. Any material alterations on application forms other than the deletion of alternatives, must be authenticated by the full signature(s) of the applicant(s).
3. Applications will be irrevocable and may not be withdrawn, except in terms of Section 69(5) of the Companies Act (Chapter 24:03).
4. Save as provided in paragraph 5, a single cheque or bank draft must accompany each application form, except in the case of bulk applications by recognised nominee companies.
5. Bona fide applicants applying for Z$20 million or more in debentures may make payment in either of the following ways:

5.1 By paying the full amount payable on application.

5.2 By paying what is then due and payable on allotment on 16 September 1998

5.3 NMB at its sole discretion reserves the right to request for cash cover before accepting such applications.

5.4 Details of allotment will be faxed and delivered on 16 September 1998.

5.5 Payments not received by 12 noon on 16 September 1998 will attract interest at 5% above NMB's prime lending rate.

6. Payments may either be by cheque, bank draft or direct deposit/transfer. Proof of deposit or direct transfer must be submitted to NMB by no later than 4:30pm on 3 September 1998.
7. ONLY ONE APPLICATION WILL BE ACCEPTED FROM AN APPLICANT OR JOINT APPLICANTS. Applicants other than recognised nominee companies who submit more than one application render themselves liable to have ALL their applications rejected.
8. Persons or companies applying in a nominee capacity must disclose the names and addresses of their principals and the number of Debentures applied for on behalf of each principal.
9. NO RECEIPT will be given for applications and remittances.
10. Econet Wireless Holdings Limited reserve to themselves the right, at their discretion, to refuse any application for Debentures and/or abate applications on a basis to be determined by them.
11. If an application is accepted for a lesser number of Debentures than that applied for, the excess paid on application will be refunded by NMB AT THE RISK OF THE APPLICANT, by no later than 22 September 1998.
12. Notification of the number of Debentures allotted and debenture certificates will be posted to successful applicants at their risk to the address given in their respective application forms by no later than 22 September 1998. Instructions to send to another address will NOT BE ACCEPTED.
13. Applicants are not required to lodge any documents in support of their applications, or applications on behalf of third parties unless called for by NMB.

ANNEXURE VI

ECONET WIRELESS
HOLDINGS LIMITED

APPLICATION FORM
ZIMBABWE RESIDENTS
(Excluding Resident FCA Holders)

APPLICATION FORM: ECONET WIRELESS HOLDINGS LIMITED

PUBLIC ISSUE OF 145,000,000 ORDINARY SHARES OF Z$0.10 EACH AT Z$1.00.

This form when completed should be forwarded to NATIONAL MERCHANT BANK OF ZIMBABWE LIMITED - Corporate Finance Department, 2nd Floor, Unity Court, Union Avenue/First Street, (P O Box 2564) Harare, together with a separate cheque or bank draft for the amount due in respect of the shares applied for and crossed "not negotiable"drawn in favour of "NMB - Econet Share Issue".

APPLICATION LISTS WILL OPEN AT 8.00 AM ON THURSDAY 20 AUGUST 1998 AND WILL CLOSE AT 12.00 NOON ON THURSDAY 3 SEPTEMBER 1998.

The Directors
Econet Wireless Holdings Limited
C/o National Merchant Bank of Zimbabwe Limited - Corporate Finance Department
2nd Floor Unity Court
Union Avenue/First Street
P O Box 2564
HARARE

CONTINENTAL SECURITIES TRADING (PVT.) LTD.
MEMBERS OF THE ZIMBABWE
STOCK EXCHANGE
P.O. BOX CY 255
CAUSEWAY, HARARE

Gentlemen

I/We the undersigned, declare that I/we have full legal capacity to contract and, where relevant, authority to sign on behalf of the applicant and hereby irrevocably apply for and request you to accept this as my/our application for the allotment/transfer to me/us, subject to the Memorandum of Association of ECONET WIRELESS HOLDINGS LIMITED of the undermentioned number of Ordinary Shares at Z$1.00 per share in the currency of Zimbabwe or any lesser number that may in your discretion be allocated to me /us in terms of your prospectus dated 14 August 1998.

I/We understand that my/our application may be refused without reasons being given for such refusal.

I/We enclose a crossed cheque/bank draft in favour of "NMB - Econet Share Issue" for the amount due in respect of my/our application detailed below.

Signature

Company stamp
(Where applicable)

Dated day of 1998

OFFICIAL USE ONLY	Residential Status				
APPLICATION NUMBER					

THE FOLLOWING MUST BE COMPLETED BY TYPEWRITER OR IN BLOCK LETTERS BY EACH APPLICANT. PLEASE NOTE ACCOMPANYING INSTRUCTIONS.

A. FIRST NAME IN FULL								
B. SURNAME OR NAME OF CORPORATE BODY								
C. POSTAL ADDRESS AND TOWN/CITY (Preferably P O Box No.)								
NUMBER OF SHARES APPLIED FOR		Millions	Hundred Thousands	Ten Thousands	Thousands	Hundreds	Tens	Units
	FIGURES ONLY							
	WORDS ONLY							
PAYMENT IN FULL AT Z$1,00 PER SHARE (Do not include bank charges)	FIGURES ONLY							
	ONE CHEQUE OR DRAFT PER APPLICANT							
TELEPHONE NUMBER ..... (In case of query)	BANK ENDORSEMENT ONLY							

ECONET WIRELESS
HOLDINGS LIMITED

APPLICATION FORM
ZIMBABWE RESIDENTS
(Excluding Resident FCA Holders)

BRIEF INSTRUCTIONS RELATING TO THE COMPLETION OF THIS APPLICATION FORM

1. A SINGLE CHEQUE OR BANK DRAFT MUST ACCOMPANY EACH APPLICATION FORM. Cash will not be accepted. Applications will be considered complete only when the relevant cheque or bank draft has been paid.
2. Cheques and bank drafts must be in the currency of Zimbabwe and in favour of "NMB - Econet Debenture Issue" and should be crossed "not negotiable". Bank commission must NOT be included.
3. Photocopies and faxed copies of the application WILL NOT BE ACCEPTED
4. No receipts will be issued for application and remittances
5. Any material alteration on the application form, other than the deletion of alternatives, must be authenticated by FULL SIGNATURE.
6. Applications may not be made in the names of a minor, a deceased estate, an insolvent estate or a partnership.
7. ONLY ONE application may be submitted by an applicant or joint applicants
8. Applications are not required to lodge any documents in support of their applications on behalf of a third party.
9. Applications must be for a MINIMUM VALUE OF Z$10,000 and
10. Applications must not be in fractions.

CALCULATION TABLE AT Z$10,000 PER DEBENTURE AT PAR

No of Debentures	Amount Payable	No of Debentures	Amount Payable
1	10,000	100	1,000,000
2	20,000	200	2,000,000
3	30,000	300	3,000,000
4	40,000	400	4,000,000
5	50,000	500	5,000,000
10	100,000	1,000	10,000,000
20	200,000	2,000	20,000,000
30	300,000	3,000	30,000,000
40	400,000	4,000	40,000,000
50	500,000	5,000	50,000,000
60	600,000	6,000	60,000,000

These calculations are shown to assist applicants, and do not imply the existence of any restrictions on the number of Debentures, which may be applied for, other than those given in instructions 6 to 9 above.

ANNEXURE VI

ECONET WIRELESS
HOLDINGS LIMITED

APPLICATION FORM
ZIMBABWE RESIDENTS
(Excluding Resident FCA Holders)

APPLICATION FORM: ECONET WIRELESS HOLDINGS LIMITED

PUBLIC ISSUE OF 145,000,000 ORDINARY SHARES OF Z$0.10 EACH AT Z$1.00.

This form when completed should be forwarded to NATIONAL MERCHANT BANK OF ZIMBABWE LIMITED - Corporate Finance Department, 2nd Floor, Unity Court, Union Avenue/First Street, (P O Box 2564) Harare, together with a separate cheque or bank draft for the amount due in respect of the shares applied for and crossed "not negotiable"drawn in favour of "NMB - Econet Share Issue".

APPLICATION LISTS WILL OPEN AT 8.00 AM ON THURSDAY 20 AUGUST 1998 AND WILL CLOSE AT 12.00 NOON ON THURSDAY 3 SEPTEMBER 1998.

CONTINENTAL SECURITIES TRADING (PVT.) LTD.
MEMBERS OF THE ZIMBABWE
STOCK EXCHANGE
P.O. BOX CY 255
CAUSEWAY, HARARE

The Directors
Econet Wireless Holdings Limited
C/o National Merchant Bank of Zimbabwe Limited - Corporate Finance Department
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Gentlemen

I/We the undersigned, declare that I/we have full legal capacity to contract and, where relevant, authority to sign on behalf of the applicant and hereby irrevocably apply for and request you to accept this as my/our application for the allotment/transfer to me/us, subject to the Memorandum of Association of ECONET WIRELESS HOLDINGS LIMITED of the undermentioned number of Ordinary Shares at Z$1.00 per share in the currency of Zimbabwe or any lesser number that may in your discretion be allocated to me /us in terms of your prospectus dated 14 August 1998.

I/We understand that my/our application may be refused without reasons being given for such refusal.

I/We enclose a crossed cheque/bank draft in favour of "NMB - Econet Share Issue" for the amount due in respect of my/our application detailed below.

Signature

Company stamp
(Where applicable)

Dated day of 1998

OFFICIAL USE ONLY	Residential Status				
APPLICATION NUMBER					

THE FOLLOWING MUST BE COMPLETED BY TYPEWRITER OR IN BLOCK LETTERS BY EACH APPLICANT. PLEASE NOTE ACCOMPANYING INSTRUCTIONS.

A. FIRST NAME IN FULL								
B. SURNAME OR NAME OF CORPORATE BODY								
C. POSTAL ADDRESS AND TOWN/CITY (Preferably P O Box No.)								
NUMBER OF SHARES APPLIED FOR		Millions	Hundred Thousands	Ten Thousands	Thousands	Hundreds	Tens	Units
	FIGURES ONLY							
	WORDS ONLY							
PAYMENT IN FULL AT Z$1,00 PER SHARE (Do not include bank charges)	FIGURES ONLY							
	ONE CHEQUE OR DRAFT PER APPLICANT							
TELEPHONE NUMBER ..... (In case of query)	BANK ENDORSEMENT ONLY							

ECONET Wireless Management Team

Your Cellular Network

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